

COMMITTEE ON COMMITTEES, RULES AND ETHICS.**AMENDMENT OF ORDINANCES WHICH AUTHORIZED APPROVAL OF
REDEVELOPMENT PLAN, DESIGNATION OF REDEVELOPMENT
PROJECT AREA AND ADOPTION OF TAX INCREMENT
ALLOCATION FINANCING FOR 24TH/MICHIGAN
TAX INCREMENT FINANCING DISTRICT.**

The Committee on Committees, Rules and Ethics submitted the following report:

CHICAGO, February 16, 2000.

To the President and Members of the City Council:

Your Committee on Committees, Rules and Ethics, having held a meeting on February 10, 2000 for the purpose of considering an ordinance amending an ordinance introduced on September 29, 1999 from the July 21, 1999 City Council meeting, Journal pages 8195, 8201 and 8208 (Alderman Preckwinkle for Alderman Haithcock), having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* said amended ordinance transmitted herewith.

This recommendation was concurred in by a unanimous vote of the members of the committee, with no dissenting vote.

Respectfully submitted,

(Signed) RICHARD F. MELL,
Chairman.

On motion of Alderman Mell, the said proposed amended ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Granato, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Dixon, Beale, Pope, Balcer, Frias, Olivo, Burke, Thomas, Coleman, Peterson, Murphy, Troutman, DeVille, Munoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Wojcik, Suarez, Matlak, Mell, Austin, Colom, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Hansen, Levar, Shiller, Schulter, M. Smith, Moore, Stone -- 49.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, On July 21, 1999, the City Council of the City of Chicago adopted: an ordinance approving a redevelopment plan for the 24th/Michigan Redevelopment Project Area (published at pages 8099 -- 8197 of the Journal of the Proceedings of the City Council of that date) an ordinance designating the 24th/Michigan Redevelopment Project Area as a Redevelopment Project Area under the Illinois Tax Increment Allocation Redevelopment Act (published at pages 8198 -- 8293 of the Journal of the Proceedings of the City Council of that date); and an ordinance adopting tax increment allocation financing for the 24th/Michigan Redevelopment Project Area (published at pages 8203 -- 8210 of the Journal of the Proceedings of the City Council of that date) (hereinafter referred to collectively as "the 24th/Michigan T.I.F. Ordinances"); and

WHEREAS, In each of the 24th/Michigan T.I.F. Ordinances, the legal description of the Project Area refers to the same plat of survey recorded in the Office of the Cook County Recorder of Deeds on September 24, 1877, by two (2) different recorded document numbers; and

WHEREAS, It is appropriate and necessary to correct this error; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The 24th/Michigan T.I.F. Ordinances are hereby amended by deleting the number "15615" and inserting in its place the number "151615" as the document identification number for a plat of survey recorded in the Office of the Cook County Recorder of Deeds on September 24, 1877, said references appearing

at the following locations in the Journal of the Proceedings of the City Council of the City of Chicago of July 21, 1999:

page 8195, line 16;

page 8201, line 25, under "Exhibit A, Legal Description"; and

page 8208, line 9.

SECTION 2. This ordinance shall be in full force and effect from and after its passage and approval.

CORRECTION OF NOVEMBER 10, 1999 JOURNAL OF
THE PROCEEDINGS OF THE CITY COUNCIL.

The Committee on Committees, Rules and Ethics submitted the following report:

CHICAGO, February 16, 2000.

To the President and Members of the City Council:

Your Committee on Committees, Rules and Ethics, having held a meeting on February 10, 2000 for the purpose of considering the following:

1. a Journal correction introduced on December 15, 1999 from the November 10, 1999 City Council meeting, Journal page 14950 (Alderman Natarus); and
2. a Journal correction introduced on December 15, 1999 from the November 10, 1999 City Council meeting, Journal page 14952 (Alderman Vi Daley),

CITY OF CHICAGO

24TH/MICHIGAN REDEVELOPMENT PROJECT AREA

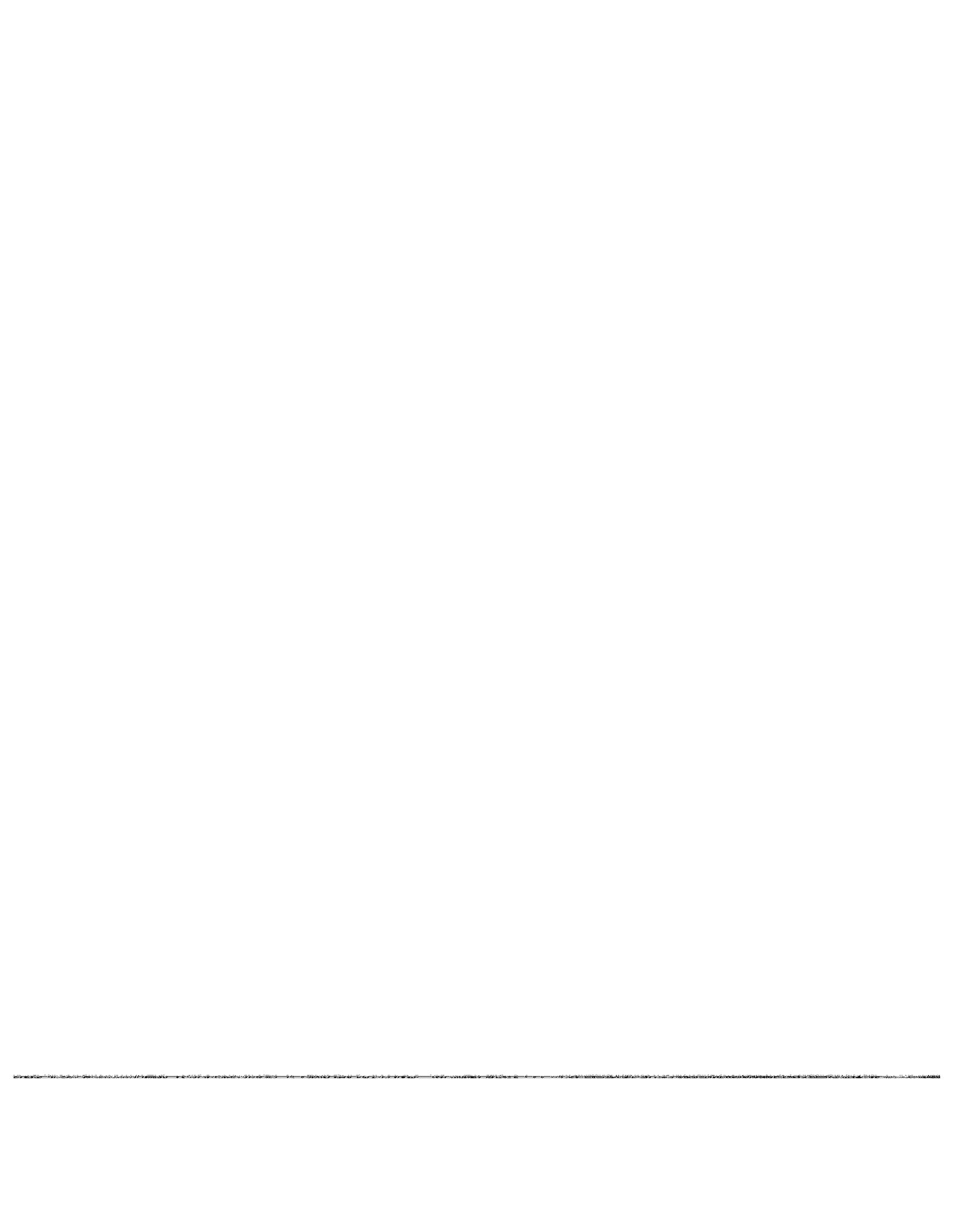
TAX INCREMENT FINANCE PROGRAM

REDEVELOPMENT PLAN AND PROJECT

**CITY OF CHICAGO
RICHARD M. DALEY
MAYOR**

APRIL 1999

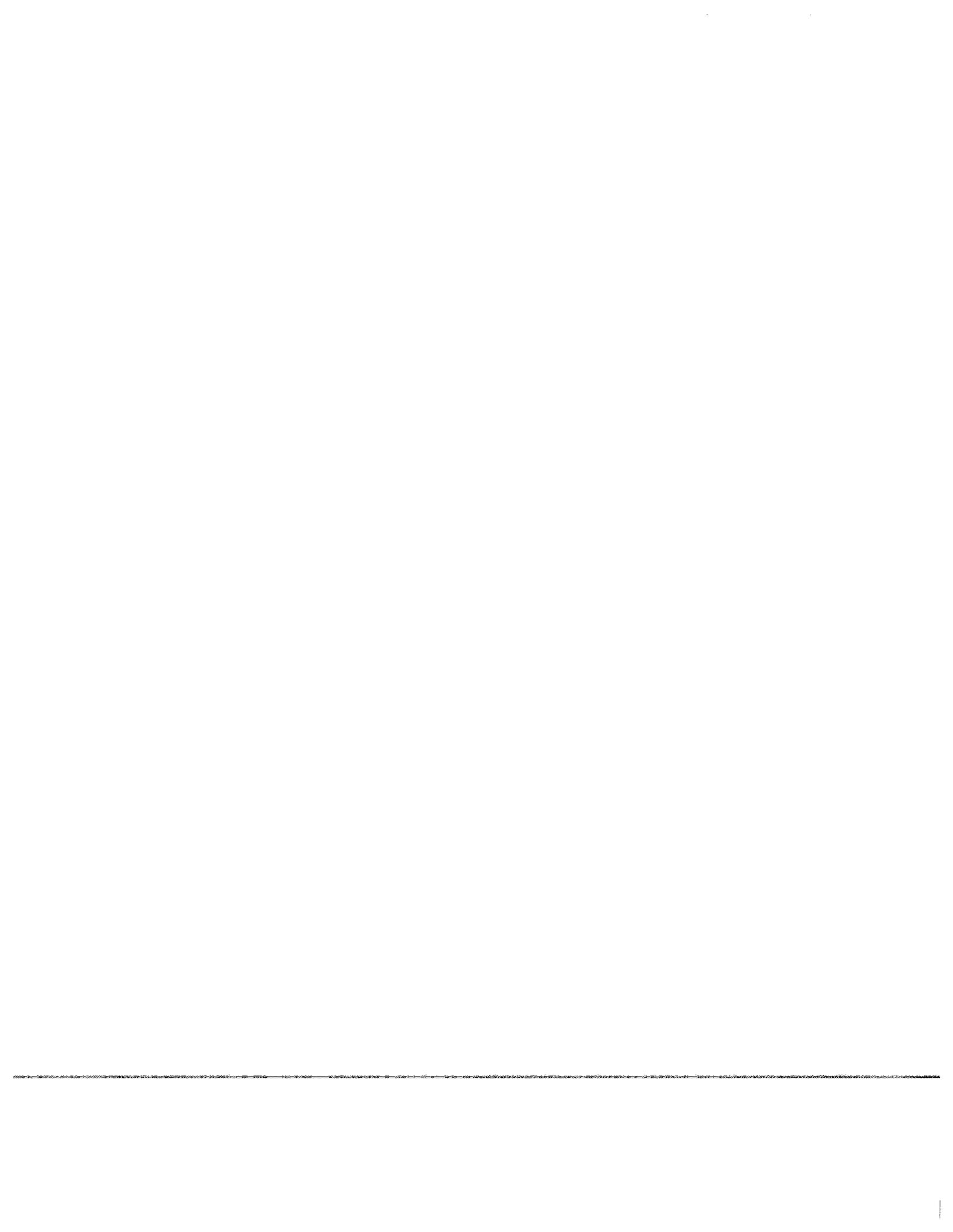
**PREPARED BY
LOUIK/SCHNEIDER & ASSOCIATES, INC.
ERNEST R. SAWYER ENTERPRISES, INC.
NOITAM, INC.**



**REDEVELOPMENT PLAN AND PROJECT FOR
24TH/MICHIGAN REDEVELOPMENT PROJECT AREA
TAX INCREMENT FINANCING PROGRAM**

TABLE OF CONTENTS

I. INTRODUCTION	1
A. AREA HISTORY	2
B. ZONING CHARACTERISTICS	3
C. TAX INCREMENT ALLOCATION REDEVELOPMENT ACT	4
II. REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION	6
III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES	7
A. GENERAL GOALS AND REDEVELOPMENT OBJECTIVES	7
B. DESIGN OBJECTIVES	11
IV. BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA	12
A. SUMMARY OF ELIGIBILITY FACTORS	12
B. ELIGIBILITY FINDINGS CONCLUSION	14
V. 24TH/MICHIGAN REDEVELOPMENT PROJECT	16
A. GENERAL LAND USE PLAN	17
B. REDEVELOPMENT PROJECT	18
C. ESTIMATED REDEVELOPMENT PROJECT ACTIVITIES AND COSTS	19
D. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS	24
E. ISSUANCE OF OBLIGATIONS	25
F. MOST RECENT EQUALIZED ASSESSED VALUATION OF PROPERTIES IN THE REDEVELOPMENT PROJECT AREA	26
G. ANTICIPATED EQUALIZED ASSESSED VALUATION	26
H. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE	27
I. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT	28
J. DEMAND ON TAXING DISTRICT SERVICES	28
K. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS	30
L. PROVISION FOR AMENDING ACTION PLAN	30
M. FAIR EMPLOYMENT PRACTICES, AFFIRMATIVE ACTION PLAN AND PREVAILING WAGE AGREEMENT ..	30
N. PHASING AND SCHEDULING OF REDEVELOPMENT	31
APPENDIX	32
TABLE 1 - ESTIMATED REDEVELOPMENT PROJECT COSTS	33
TABLE 2 - 1997 EQUALIZED ASSESSED VALUATION	34
EXHIBIT 1 - LEGAL DESCRIPTION	38
EXHIBIT 2 - BUILDING PERMIT REQUESTS	40
EXHIBIT 3 - PROPERTIES TO BE ACQUIRED	41
EXHIBIT 4 - MAP LEGEND	42
EXHIBIT 5 - ELIGIBILITY STUDY	43



I. INTRODUCTION

The 24th/Michigan Redevelopment Project Area (hereafter referred to as the "Redevelopment Project Area") is located on the near south side of the City of Chicago (the "City"), approximately 2 miles south of the central business district. The Redevelopment Project Area is comprised of approximately 119 acres and includes 35 (full and partial) blocks. The boundaries of the Redevelopment Project Area are Cullerton Street on the north, the Stevenson Expressway on the south, Prairie Avenue on the east, Wentworth Avenue, and the Metra Northwest Illinois Rail Corp. on the west. The boundaries are shown on Redevelopment Plan Map 1, Project Boundary.

The Redevelopment Project Area is well-suited to institutional, residential, commercial mixed-use development, and its close proximity to an excellent local and regional transportation network makes the area accessible to shoppers and residents. The Redevelopment Project Area is adjacent to the Stevenson Expressway (I-55) which accesses Lake Shore Drive, the Dan Ryan Expressway (I-94), the Kennedy Expressway (I-90) and the Eisenhower Expressway (I-290).

The Redevelopment Project Area is also well served by public transportation, making the site easily accessible to the local work force. The Chicago Transit Authority ("CTA") bus lines that service the Redevelopment Project Area directly are the #24 Wentworth, #29 State, and #1 Indiana-Hyde Park. The CTA Green Line runs through the Redevelopment Project Area between State Street and Wabash Avenue with a newly renovated station south of the Redevelopment Project Area in Bronzeville Station at 35th Street. The CTA Red Line has a stop in the northwest section of the Redevelopment Project Area: the Cermak-Chinatown Station at 22nd Street and LaSalle Street.

The Redevelopment Project Area lies adjacent to the existing TIF Districts: Michigan/Cermak, Near South and River South on the north, Bronzeville on the south, and Chinatown Basin on the west. All of these areas contain the majority of the characteristics that constitute blighted areas. The close proximity of these TIF Districts to the Redevelopment Project Area develops a pattern in which a blighted area can influence the conditions of the Redevelopment Project Area.

The Redevelopment Project Area is characterized by numerous deteriorated and obsolete commercial buildings, a significant number of vacant parcels, and a general lack of maintenance of properties. Much of the Redevelopment Project Area consists of:

- deteriorated buildings and site improvements;
- vacant and underutilized buildings;
- obsolescence; and
- other blighting characteristics.

The purpose of the 24th/Michigan Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project ("the Plan") is to create a mechanism to allow for the planning and financing of a mixed-use development containing commercial, industrial, residential and institutional uses/community facilities.

This Plan summarizes the analyses and findings of the consultants' work, which, unless otherwise noted, is the responsibility of Louik/Schneider & Associates, Inc., Ernest R. Sawyer Enterprises, Inc and Noitam Inc. The City of Chicago is entitled to rely on the findings and conclusions of this Plan in designating the Redevelopment Project Area as a redevelopment project area under the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq.(1996 State Bar Edition), as amended (the "Act"). Louik/Schneider & Associates, Inc. has prepared this Plan and the related eligibility study with the understanding that the City would rely: 1) on the findings and conclusions of the Plan and the related eligibility study in proceeding with the designation of the Redevelopment Project Area and the adoption and implementation of the Plan, and 2) on the fact that Louik/Schneider & Associates, Inc. has obtained the necessary information so that the Plan and the related eligibility study will comply with the Act.

A. AREA HISTORY

The Redevelopment Project Area is located in one of the City's 77 community areas - the Near South Side. The area has traditionally been industrial and commercial with a small population. Currently it is one of the least populated areas in the City and suffers from economic underdevelopment and dilapidated housing. However, the area began its history as a fashionable community developed with apartments and hotels built in anticipation of the World's Columbian Exposition in 1893. Despite these auspicious beginnings, more fashionable residents soon left the area for the Gold Coast area to the north and the Kenwood Area to the south.

At the turn of the Century the area was characterized by warehouses and other commercial development. These wholesale houses and warehouses were pushed out of the Loop by high prices. The area became a home to two Chicago printing empires, the Lakeside Press and R. R. Donnelley and Sons, both built between 1912 and 1924. During the same period, the fast growing new automobile industry located showrooms along Michigan Avenue. The area also provided a home for the new and used auto parts industry that still exists today. African-Americans migrated to the area during and after World War I. The area is bordered by Bronzeville on the south and soon became a central part of what is commonly called *The Black Metropolis* or "Black Belt". This was an area bordered by Van Buren Street on the north, 39th Street on the south, the white residential community that began at State Street on the east and railroads and an industrial community on the west. The "Black Belt" represented a contiguous and independent black political, social and commercial community. As the area transformed into an African-American community, the population declined as German and Irish residents left the area. The population increased briefly as African-Americans moved to the City from the South.

There are two venerable African-American institutions in the Redevelopment Project Area: the Quinn Chapel (1892) and the Chicago Defender (1906). The Quinn Chapel is a National Historic Landmark and is the oldest African-American Church in the City. The Chicago Defender is the oldest African-American publication currently in circulation. It has a national reputation and has formed a cornerstone of the Black media throughout the 20th century and into the new millennium. These institutions saw the community rapidly change into an almost completely African-American community.

During this period of transition, two public housing projects were erected to accommodate residents and replace slums in the area. The Harold Ickes Homes were erected in 1955 and the Hilliard Homes were erected in 1966. While initially conceived as integrated housing, these projects and the area itself were highly segregated. By the 1960's, the area was 77% African-American, and by 1990 it was 94% African-American.

The area has suffered from severe concentrations of poverty. As of 1989, the median family income was less than \$10,000 a year, one of the lowest in the City. Three fourths of the households are female headed and of those, 60% live below the poverty line. In 1992, the area was dealt a major blow when R.R. Donnelley closed its doors. However, at the same time the community has been bordered by pockets of prosperity and economic development. McCormick Place was constructed in 1960, and there were other developments in the area connected with the change along with several examples from an industrial economy to a service economy partially based on the convention and tourism industry. Upscale housing developments like the second phase of Dearborn Park (1988) and Central Station (1990) have brought affluent residents to the surrounding areas. The new Museum Campus also represents a major change to the area because Cermak Road is no longer a major artery for Lakeshore Drive. Despite surrounding prosperity and change, economic hardship in the area remains a persistent problem.

B. ZONING CHARACTERISTICS

At the present time, the existing land uses include commercial, industrial, residential and institutional uses. Permitted zoning uses for the Redevelopment Project Area include commercial (C1-3, C2-3, and C2-4), industrial (M1-2, M1-3, M1-4, and M2-4) and residential (R5). Also included in the Redevelopment Project Area is Planned Development No. 31.

The designated commercial districts are located in four sections of the Redevelopment Project Area. The first section, zoned C1-3, is located at the northeast corner of Wentworth Avenue and Cermak Road. The second section, zoned C2-3, is on the south side of Cermak Road at Federal Street, continuing west one and one quarter block. The third section, also zoned C2-3, is the east side of State Street. The last section, zoned C2-4, is from the alley between Wabash and Michigan Avenues east to the alley between Michigan and Indiana Avenues.

~~There are two areas zoned residential: the Ickes and the Hilliard Homes. The Ickes Homes between 22nd and 25th Streets, on State Street, are zoned R5 except for portions of two blocks~~

along Clark Street. The Hilliard Homes between Cullerton Street, Cermak Road, State and Clark Streets are zoned Planned Development No. 31.

Manufacturing Districts are located in five areas. The far northwest section of the Redevelopment Project Area immediately west of Clark Street is zoned M1-4. From the railroad tracks east to Federal at Cermak Road on the north end and from the railroad tracks east to Dearborn Street at the Stevenson Expressway is the second area zoned manufacturing, M1-2. The northeast corner of Clark Street and Cermak Road is the next area zoned with a manufacturing zoning of M2-4. The area immediately west of the CTA tracks to the alley between Wabash and Michigan Avenues, is the fourth area zoned M1-3. The last section zoned M1-4 is at the east end of the Redevelopment Project Area, from the alley between Michigan and Indiana Avenues east to the eastern boundary.

C. TAX INCREMENT ALLOCATION REDEVELOPMENT ACT

An analysis of conditions within this area indicates that it is appropriate for designation as a Redevelopment Project Area under the Act. The Redevelopment Project Area is characterized by conditions which warrant its designation as a "Blighted Area" within the definitions set forth in the Act.

The Act provides a means for municipalities, after the approval of a "Redevelopment Plan and Project," to redevelop blighted and conservation areas by pledging the increase in tax revenues generated by public and private redevelopment. This increase in tax revenues is used to pay for upfront costs that are required to stimulate private investment in new redevelopment and rehabilitation, or to reimburse private developers for eligible costs incurred in connection with any redevelopment. Municipalities may issue obligations to be repaid from the stream of real property tax increment revenues that are generated within the tax increment financing district.

The property tax increment revenue is calculated by determining the difference between the initial equalized assessed value ("EAV") or the Certified Base EAV for all taxable real estate located within the Redevelopment Project Area and the current year EAV. The EAV is the assessed value of the property multiplied by the state multiplier. Any increase in EAV is then multiplied by the current tax rate, which determines the incremental real property tax.

This Plan has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private action in the Redevelopment Project Area. In addition to describing the objectives of redevelopment, the Plan sets forth the overall program to be undertaken to accomplish these objectives. This program is the "Redevelopment Project."

This Plan also specifically describes the Redevelopment Project Area. This area meets the eligibility requirements of the Act (see Exhibit 5 - *24th/Michigan Tax Increment Finance Program - Eligibility Study*). After approval of the Plan, the City Council may then formally designate the Redevelopment Project Area.

The purpose of this Plan is to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land use, vehicular access, parking, service and urban design systems will meet modern-day principles and standards;
2. On a reasonable, comprehensive and integrated basis to ensure that blighted area factors are eliminated; and
3. Within a reasonable and defined time period.

Revitalization of the Redevelopment Project Area is a large and complex undertaking and presents challenges and opportunities commensurate to its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government.

Regardless of when the Redevelopment Plan and Project is adopted, it will include land uses that have already been approved by the Chicago Plan Commission.

There has been no major private investment in the Redevelopment Project Area for at least the last five years. The adoption of the Plan will make possible the implementation of a logical program to stimulate redevelopment in the Redevelopment Project Area, an area which cannot reasonably be anticipated to be developed without the adoption of this Plan. Public investments will create the appropriate environment to attract the level of private investment required for rebuilding the Redevelopment Project Area.

Successful implementation of the Redevelopment Project requires that the City take advantage of the real estate tax increment revenues attributed to the Redevelopment Project Area as provided in accordance with the Act.

II. REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION

The Redevelopment Project Area is located on the near south side of the City, approximately two miles south of the central business district. The Redevelopment Project Area is comprised of approximately 119 acres and includes 35 (full and partial) blocks. The Redevelopment Project Area is generally bounded by Cullerton Street on the north, the Stevenson Expressway on the south, Prairie Avenue on the east, and Wentworth Avenue and the Metra Northwest Illinois Rail Corp. on the west. The boundaries of the Redevelopment Project Area are shown on Map 1, Boundary Map, and the existing land uses are identified on Redevelopment Plan Map 2. The Redevelopment Project Area includes only those contiguous parcels of real property that are expected to be substantially benefited by the Plan.

The legal description of the Redevelopment Project Area is attached to this plan as Exhibit 1 - Legal Description.

III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

Comprehensive goals and objectives are included in this Plan to guide the decisions and activities that will be undertaken to facilitate the redevelopment of the Redevelopment Project Area. Many of them can be achieved through the effective use of local, state and federal mechanisms.

These goals and objectives generally reflect existing City policies affecting all or portions of the Redevelopment Project Area as identified in the following plans and regulations:

- *Attracting Business in the 21st Century, Metropolitan Pier and Exposition Authority Managing McCormick Place and Navy Pier, Financial Plan for Fiscal Years, 1999, 2000, 2001, Adopted by the Board of Directors May 5, 1998*
- *Mid-South Strategic Development Plan, City of Chicago Department of Planning and Development and The Mid-South Planning Group, September 1993*
- *The Near South: A Blueprint for Redevelopment, City of Chicago, Department of Planning and Development, January 1992*
- *Planning Principles for Chicago's Central Area, City of Chicago Department of Planning, September 1991*
- *Report on McCormick Place Expansion, Joint Task Force on Burnham Park Planning, June 1990*
- *Near South Area Planning Strategy, Near South Planning Board, Lakota Group, November 1998.*
- *1998 Chicago Zoning Ordinance*

Certain goals and objectives of these plans and regulations are incorporated in the section below.

A. GENERAL GOALS AND REDEVELOPMENT OBJECTIVES

In order to redevelop the Redevelopment Project Area in a planned manner, the establishment of goals is necessary. The following goals are meant to guide the development and/or the review of all future projects that will be undertaken in the Redevelopment Project Area. To achieve the general goals of this Plan, the following redevelopment objectives have been established.

GOAL 1 Improve the quality of life in Chicago by enhancing the local tax base through the improvement of the Redevelopment Project Area's economic vitality.

OBJECTIVES Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Blighted Area.

Encourage the preservation of the existing architectural character through the use of governmental mechanisms.

Create a physical environment that is conducive to the development of commercial-service uses.

GOAL 2 Encourage sound community and economic development in the Redevelopment Project Area.

OBJECTIVES Encourage private investment, through incentives, in new commercial and industrial development.

Promote the Redevelopment Project Area's amenities, in particular its proximity to McCormick Place to encourage new commercial development.

GOAL 3 Create an environment within the Redevelopment Project Area that will contribute to the health, safety and general welfare of the City, and preserve or enhance the value of properties in the area.

OBJECTIVES Provide public infrastructure improvements where necessary. Replace and repair sidewalks, curbs and alleys throughout the Redevelopment Project Area.

Install appropriate streetscaping amenities to enhance and unify the Redevelopment Project Area as a natural extension of the McCormick Place expansion and development of the South Loop in particular along Michigan Avenue.

Improve the safety and security of patrons and employees of the businesses in the Redevelopment Project Area.

Reduce the amount of on-street truck loading and storing. Improve the truck storage facilities to compliment the streetscaping improvements made to the north along State Street and to the east of McCormick Place.

GOAL 4 Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing real estate values and the local tax base.

OBJECTIVE Facilitate the development of vacant land and the redevelopment of underutilized properties for commercial, industrial, residential and institutional uses.

Increase the amount of pedestrian traffic from the surrounding residential development as well as McCormick Place.

GOAL 5 Encourage the participation of minorities and women in the redevelopment process of the Redevelopment Project Area.

OBJECTIVES Make companies aware of the City and private firms' affirmative action policies for development and construction.

GOAL 6 Create and preserve job opportunities in the Redevelopment Project Area.

OBJECTIVES Establish job-training and job-readiness programs to provide area residents within and surrounding the Redevelopment Project Area with the skills necessary to secure jobs.

Secure commitments from employers in the Redevelopment Project Area and adjacent areas to interview graduates of the Redevelopment Project Area's job readiness and job training programs.

Encourage the use of the City's Workforce Solution Program by existing industries/companies and firms in the area.

GOAL 7 Create an environment for new educational, open space and other institutional facilities to serve the surrounding community.

OBJECTIVES Encourage appropriate and necessary public service agencies to locate in the Redevelopment Project Area.

Provide expansion opportunities for existing institutions in or around the Redevelopment Project Area.

Provide enhancement opportunities for new and existing parks or additional green space in the Redevelopment Project Area.

GOAL 8 Develop a link between the Redevelopment Project Area and its surrounding communities.

OBJECTIVES Encourage the development of service/convenience oriented businesses that complement the needs of the McCormick Place vendors/patrons.

Promote the desirability of the Redevelopment Project Area as an excellent location for restaurant / entertainment venues.

Continue the existing streetscaping, sidewalk and street improvements of China Town and McCormick Place that surround the Redevelopment Project Area.

GOAL 9 Encourage the preservation of historic buildings throughout the Redevelopment Project Area.

OBJECTIVES Obtain Landmark Designation for appropriate buildings in the Redevelopment Project Area.

Encourage the renovation of the historically significant automobile row buildings.

GOAL 10 Improve the conditions of existing residential developments and establish standards for any future developments.

OBJECTIVES Work with the Chicago Housing Authority to continue the rehabilitation efforts currently underway for the existing public housing.

Encourage streetscape improvements and open space beautification for the internal road for the existing public housing.

Provide enhancement opportunities for existing schools and new and existing parks or additional green space in the Redevelopment Project Area.

B. DESIGN OBJECTIVES

Although overall goals and redevelopment objectives are important in the process of redeveloping such an area, the inclusion of design guidelines is necessary to ensure that redevelopment activities result in an attractive environment. The following design objectives give a generalized and directive approach to the development of specific redevelopment projects.

- Encourage coordinated development of parcels and structures to achieve attractive and efficient building design, unified off-street parking and appropriate access to nearby arterial streets.
- Achieve development that is integrated functionally and aesthetically with adjacent and nearby existing development.
- Ensure a safe and functional traffic circulation pattern, adequate ingress and egress, and capacity in the Redevelopment Project Area.
- Encourage high standards of building and streetscape design to ensure the high quality appearance of buildings, rights-of-way and open spaces.
- Ensure that necessary security, screening, and buffering devices are attractively designed and are compatible with the overall design of the Redevelopment Project Area.
- Encourage a variety of streetscape amenities which include such items as sidewalk planters, flower boxes, plazas, a variety of tree species and wrought-iron fences where appropriate.
- Maintain the integrity of the historically significant structures throughout the Redevelopment Project Area, particularly along Michigan Avenue.

IV. BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

The Act states that a "Blighted Area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements are detrimental to the public safety, health, morals or welfare because of a combination of five or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning. All factors must indicate that the area on the whole has not been subject to growth and development through investments by private enterprise and will not be developed without action by the City.

Based upon surveys, site inspections, research and analysis by Louik/Schneider & Associates, Inc., Ernest R. Sawyer Enterprises, Inc, and Noitam, Inc. shows the Redevelopment Project Area qualifies as an improved Blighted Area as defined by the Act. A separate report, entitled "City of Chicago 24th/Michigan Tax Increment Finance Program Eligibility Study" dated April 1999 (the "Eligibility Study"), is attached as Exhibit 5 to this Plan and describes in detail the surveys and analyses undertaken and the basis for the finding that the Redevelopment Project Area qualifies as an improved Blighted Area.

The Redevelopment Project Area is characterized by the presence of nine (9) blighted area eligibility factors as listed in the Act. Summarized below are the findings of the Eligibility Study.

A. SUMMARY OF ELIGIBILITY FACTORS

The Redevelopment Project Area (also referred to as the "Study Area" in the Eligibility Study) consists of 35 (full and partial) blocks and 318 parcels. There are 92 buildings in the Redevelopment Project Area.

Throughout the Redevelopment Project Area nine of the 14 blighted area eligibility criteria are present, six to a major extent and three to a minor extent. The nine blighting factors that have been identified in the Redevelopment Project Area are as follows:

Major extent

- age
- obsolescence
- deterioration
- excessive land coverage
- deleterious land use or layout
- depreciation of physical maintenance

Minor extent

- dilapidation
- structures below minimum code
- excessive vacancies

The eligibility findings are as follows:

MAJOR EXTENT

1. AGE

Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures, which are at least 35 years old. In the Redevelopment Project Area, age is **present to a major extent** in 82 of the 92 (89.1%) buildings and in 21 of the 35 blocks.

2. OBSOLESCENCE

Obsolescence, both functional and economic, includes vacant and dilapidated structures and industrial buildings that are difficult to reuse by today's standards. In the Redevelopment Project Area, obsolescence is **present to a major extent** in 132 of the 318 (41.5%) parcels and in 21 of the 35 blocks.

3. DETERIORATION

Deterioration is present in structures with physical deficiencies or site improvements requiring major treatment or repair. Deterioration is **present to a major extent** in the Redevelopment Project Area in 58 of the 92 (63%) buildings, in 93 of the 318 (29.2%) parcels and in 15 of the 35 blocks.

4. EXCESSIVE LAND COVERAGE

Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. In the Redevelopment Project Area, excessive land coverage is **present to a major extent** in 56 of the 92 (61%) buildings and in 81 of the 318 (25.5%) parcels and in 16 of the 35 blocks.

5. DELETERIOUS LAND USE OR LAYOUT

Deleterious land uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses which may be considered noxious, offensive or environmentally unsuitable. In the Redevelopment Project Area, deleterious land use and layout is **present to a major extent** in 107 of the 318 (33.6%) parcels and in 19 of the 35 blocks.

6. DEPRECIATION OF PHYSICAL MAINTENANCE

Depreciation of physical maintenance refers to the effects of deferred maintenance and the lack of maintenance of buildings, parking areas and public improvements, including alleys, walks, streets and utility structures. In the Redevelopment Project Area, depreciation of physical maintenance is **present to a major extent** in 80 of the 92 (87%) buildings, in 253 of the 318 (80%) parcels, and in 34 of the 35 blocks.

MINOR EXTENT

1. DILAPIDATION

Dilapidation refers to an advanced state of disrepair of buildings and improvements. In the Redevelopment Project Area, dilapidation is **present to a minor extent** in 14 of the 92 (15.2%) buildings and in 4 of the 35 blocks.

2. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS

Structures below minimum code standards are **present to a minor extent** in 52 of the 92 (56.5%) buildings in the Redevelopment Project Area over the last seven years. For the year 1998, only 3 of the 92 (3.3%) buildings were cited for building code violations.

3. EXCESSIVE VACANCIES

Excessive vacancy refers to buildings or sites, of which a large portion are unoccupied or underutilized and which exert an adverse influence on the area because of the frequency, duration or extent of vacancy. In the Redevelopment Project Area, excessive vacancies are **present to a minor extent** in 18 of the 92 (19.6%) buildings and in 10 of the 35 blocks.

B. ELIGIBILITY FINDINGS CONCLUSION

The number, degree and distribution of factors as documented in this report warrant the designation of the Redevelopment Project Area as a Blighted Area as set forth in the Act. Specifically:

- Of the 14 blighting factors set forth in the Act for improved land, of which five are required for a finding of blight, nine are present. Six of the factors are found present to a major extent and three to a minor extent.
- The Blighted Area factors that are present are reasonably distributed throughout the Area.

The eligibility findings indicate that the Redevelopment Project Area contains factors which qualify it as a Blighted Area in need of revitalization and that designation as a redevelopment project area will contribute to the long-term well being of the City. The Blighted Area eligibility factors are distributed throughout the Redevelopment Project.

Additional research indicates that the Redevelopment Project Area on the whole (i) has not been subject to growth and development through investment by private enterprise and (ii) would not reasonably be anticipated to be developed without the adoption of the Plan. Specifically:

- Exhibit 2 - Building Permit Requests contains a summary of the building permit requests for new construction and major renovation submitted to the City of Chicago. There were seven building permit requests for new construction or renovation for the Redevelopment Project Area from July of 1993 to July of 1998.
- Additionally, there were three demolition permits issued for the Redevelopment Project Area from July of 1993 - July of 1998.
- The Redevelopment Project Area is primarily comprised of commercial uses. The EAV for all property in the City increased from \$28,661,954,119 in 1993 to \$35,893,677,135 in 1997, a total of 25.23% or an average of 6.31% per year. Over the last four years, from 1993 to 1997, the Redevelopment Project Area has experienced an overall EAV increase of 7.57% from \$14,523,821 in 1993 to \$15,623,532 in 1997, an average increase of 1.89% per year.

The analysis above was based upon data assembled by Louik/Schneider & Associates, Inc. and Noitam, Inc. Based upon the above and the findings of the Eligibility Study for the Redevelopment Project Area, the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Plan.

V. 24TH/MICHIGAN REDEVELOPMENT PROJECT

This Redevelopment Project Area is a support area not only for the City's Central Business District (CBD) but also to McCormick Place. It is essential that the area develops in such a manner that it becomes an economic link between the CBD, Near South Loop Area, McCormick Place and the Bronzeville Community. The Redevelopment Project Area will provide redevelopment opportunity not only for new development, but also for jobs for the community residents.

It is also the goal of this Plan to provide an environment that will encourage the growth of existing industries as well as the hospitality industry, which is critical to McCormick Place. McCormick Place is the largest convention and tourism facility in the United States. McCormick Place is an economic generator for the City as well as the entire State of Illinois. The following chart indicates the attendance at McCormick Place for the years 1994-1997.

Year	Attendance	Net Square Feet
1994	2,792,205	12,246,673
1995	3,214,934	11,835,840
1996	3,044,588	13,198,020
1997	3,019,329	13,404,659

The future for McCormick Place is one of stability and potential new growth, which will continue to provide for the needs of current and future trade shows. The recently completed \$987 million McCormick Place expansion project includes a new building containing 840,000 square feet of first class exhibit space and 70,000 square feet of new meeting facilities, as well as rehabilitation of the existing North and East buildings. In addition, a Hyatt Hotel with 800 rooms is part of the expansion project.

In the past, the majority of these three million annual users of McCormick Place received hospitality service from the CBD and Near North Area. It is this Plan's objective to provide necessary space within the Redevelopment Project Area to meet the demand by McCormick Place visitors, staff and workers as well as area residents and businesses for various service facilities including restaurants, entertainment, lodging, shopping and ancillary facilities. In addition, this Plan encourages the growth and expansion of companies servicing the actual exhibit hall preparation and construction for trade shows and exhibits.

The area also includes other industries that would be assisted in their operation not only in this Redevelopment Project Area but also in the five adjacent TIF Areas previously mentioned in the Introduction.

The following section identifies the proposed land uses for the Redevelopment Project Area.

A. GENERAL LAND USE PLAN

The Land Use Plan, Redevelopment Plan Map 3, identifies the uses that will be in effect upon adoption of this Plan. The major land use categories are consistent with existing land uses for the Redevelopment Project Area, which currently include commercial with residential and institutional uses.

The Chicago Plan Commission will approve this Plan and the proposed land uses described herein prior to the adoption of the Plan by the City Council. The proposed land use categories and a discussion of the rationale supporting their determination are as follows:

1. RESIDENTIAL/PUBLIC FACILITY/INSTITUTIONAL

The proposed residential/public facility/institutional land use is proposed for the area between Cullerton Avenue, the Stevenson Expressway, the west side of State Street, and the railroad. This area is currently residential and it is recommended that it remain residential.

Public Facility includes uses such as parks, open space, public housing and publicly owned facilities. The proposed residential/public facility land use includes the Chicago Housing Authority Public property (Hilliard and Ickes Homes) as well as the community service facility located in the Ickes Complex.

Institutional land uses include property utilized by educational institutions, health care facilities, and religious congregations.

2. COMMERCIAL/RESIDENTIAL/INDUSTRIAL/INSTITUTIONAL

To service the needs of the community, Commercial/Residential/Industrial/Institutional uses are proposed for three sections in the Redevelopment Project Area. The first section is located along the east side of State Street between 22nd Street and the Stevenson Expressway. The second section includes the property along both sides of Michigan Avenue and expands west of Michigan Avenue to include the Ray Graham Training Center and Quinn Chapel. This land use is also proposed for the block between Cermak Road and 23rd Street on the east of LaSalle Street. This mixed-use category allows for a combination of any of the above uses.

3. MIXED USE COMMERCIAL/INDUSTRIAL

The proposed commercial and industrial land uses for the Redevelopment Project Area are located in two areas east of the CTA tracks: 1) along Wabash Avenue between 22nd and 24th Streets and 2) from the alley east of Michigan Avenue to Prairie Avenue. Redevelopment of this property for the commercial/industrial uses is not only compatible with the surrounding land use patterns and history of the neighborhood, but also allows for the expansion of those land uses in the territory surrounding the Redevelopment Project Area.

4. MIXED USE COMMERCIAL/RESIDENTIAL/INSTITUTIONAL

The proposed mixed-use commercial/residential/institutional land use allows for the uses to be employed independently or in combination. This use is proposed for a small area in Chinatown between the CTA tracks west to the western boundary of the Redevelopment Project Area. The current use includes a parking lot and a commercial business. As redevelopment occurs within this section of the Redevelopment Project Area, the highest and best use may be a combination such as commercial on the first floor with residential units above.

Institutional land uses include property utilized by educational institutions, health care facilities, and religious congregations.

B. REDEVELOPMENT PROJECT

The purpose of this Plan is to create a planning and programming mechanism that also provides the financial vehicle to allow for the redevelopment of properties within the Redevelopment Project Area. The Plan contains specific redevelopment objectives addressing both private actions and public improvements, which are to assist in the overall redevelopment of the Redevelopment Project Area. Implementation of the Plan will be undertaken on a phased basis and will help to eliminate those existing conditions, which make the Redevelopment Project Area susceptible to blight.

The Plan for the 24th/Michigan Redevelopment Project Area incorporates the use of tax increment funds to stimulate and stabilize not only the Redevelopment Project Area but also the properties in the surrounding area through the planning and programming of public and private improvements. The underlying Plan strategy is to use tax increment financing, as well as other funding sources, to reinforce and encourage further private investment. The City may enter into redevelopment agreements, which will generally provide for the City to provide funding for activities permitted by the Act. The funds for these improvements will come from the incremental increase in tax revenues generated from the Redevelopment Project Area, or the City's issuance of bonds to be repaid from the incremental increase. A developer or user will undertake the responsibility for the required site improvements and will further be required to build any agreed upon improvements required for the project. Under a redevelopment agreement, the developer

may also be reimbursed from incremental tax revenues (to the extent permitted by the Act) for all or a portion of the costs of required site improvements.

Additionally, the implementation of the Plan will allow the City to attract a variety of uses in support of McCormick Place Convention Center. It is also anticipated that the commercial component of the Plan will give City residents and students a place to shop and as a result bring increased sales tax dollars to the City.

C. ESTIMATED REDEVELOPMENT PROJECT ACTIVITIES AND COSTS

The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to tax increment financing, and by undertaking certain activities and incurring certain costs. Such activities may include some or all of the following:

1. **ANALYSIS, ADMINISTRATION, STUDIES, LEGAL, ETC.** Funds may be used by the City to provide for activities including the long-term management of the Redevelopment Project as well as the costs of establishing the program and designing its components. Funds may be used by the City to provide for costs of studies, surveys, development of plans and specifications, implementation and administration of the plan, including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, environmental or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected.
2. **ASSEMBLAGE OF SITES.** To meet the goals and objectives of this Plan, the City is authorized to acquire and assemble property in the Redevelopment Project Area, clear the property of any and all improvements if any, engage in other site preparation activities and either (a) sell, lease or convey such property for private redevelopment or (b) sell, lease or dedicate such property for construction of public improvements or facilities. Land assemblage by the City may be by, among other means, purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program. The City may pay for a private developer's (or redeveloper's) cost of acquiring land and other property, real or personal, or rights or interests therein, demolition of buildings, environmental remediation, and the clearing and grading of land including the demolition and environmental remediation of vacant railroad facilities. Acquisition of land for public rights-of-way may also be necessary for the portions of said rights-of-way that the City does not own (see Map 4 - Properties That May Be Acquired and Exhibit 3).

As a necessary part of the redevelopment process, the City may hold and secure property, which it has acquired, and place it in temporary use until such property is scheduled for disposition and redevelopment. Such uses may include, but are not limited to, project office facilities, and parking or other uses the City may deem appropriate.

In connection with the City exercising its power to acquire real property (except for those properties described on Map 4), including the exercise of the power of eminent domain, under the Act in implementing the Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this plan.

For properties described on Map 4, acquisition of occupied property by the City shall commence within four years from the date of the publication of the ordinance approving the Plan. Acquisition shall be deemed to have commenced with the sending of an offer letter. After the expiration of this four-year period, the City may acquire such property pursuant to this Plan under the Act according to its customary procedures, as described in the immediately preceding paragraph.

3. **REHABILITATION COSTS.** The costs for rehabilitation, reconstruction or repair or remodeling of existing public or private buildings or fixtures including, but not limited to, provision of facade improvements for the purpose of improving the facades of privately held properties may be funded.
4. **PROVISION OF PUBLIC IMPROVEMENTS AND FACILITIES.** Adequate public improvements and facilities may be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to:
 - a. Provision for streets, public rights-of-way and public transit facilities
 - b. Provision of utilities necessary to serve the redevelopment
 - c. Public landscaping
 - d. Public landscape/buffer improvements, street lighting and general beautification improvements
 - e. Public parking facilities
 - f. Public schools
 - g. Public parks and open space
5. **JOB TRAINING AND RELATED EDUCATIONAL PROGRAMS.** Funds may be used by the City for programs to be created for Chicago residents so that they may take advantage of the employment opportunities in the Redevelopment Project Area.
6. **FINANCING COSTS.** Financing costs may be funded, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued under the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto.

7. **CAPITAL COSTS.** All or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Project, to the extent the City by written agreement, accepts and approves such costs, may be funded.
8. **PROVISION FOR RELOCATION COSTS.** Relocation assistance may be provided in order to facilitate redevelopment of portions of the Redevelopment Project Area, and to meet other City objectives. Businesses or households legally occupying properties to be acquired by the City may be provided with relocation advisory and financial assistance as determined by the City. Funds may be used by the City or made available for the relocation expenses of public entities, private property owners and tenants of properties relocated or acquired by the City or a developer for redevelopment purposes or by a public entity.
9. **PAYMENT IN LIEU OF TAXES ACCORDING TO THE ACT.**
10. **COSTS OF JOB TRAINING.** Funds may be provided for costs of job training, advanced vocational education, or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs a) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by companies located in a redevelopment project area; and b) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act (as defined in the Act) and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code (as defined in the Act).
11. **INTEREST COSTS.** Funds may be provided to developers or redevelopers for a portion of interest costs incurred in the construction of a redevelopment project. Interest costs incurred by a developer or redeveloper related to the construction, renovation or rehabilitation of a redevelopment project may be funded provided that:
 - a) Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - b) Such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the developer or the redeveloper with regard to the redevelopment project during that year;

- c) If there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph then the amounts due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
 - d) The total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total of costs paid or incurred by the developer or redeveloper for the redevelopment project plus redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act.
- 12. NEW CONSTRUCTION COSTS.** The Act currently provides that incremental property tax revenues **may not** be used by the City for the construction of new privately owned buildings.
- 13. REDEVELOPMENT AND OTHER AGREEMENTS -** The City may enter into redevelopment agreements with private developers or redevelopers, which may include but not be limited to, terms of sale, lease or conveyance of land, requirements for site improvements, public improvements, job training and interest subsidies. In the event that the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements. In addition, the City may enter into intergovernmental agreements with public entities to construct, rehabilitate, renovate or restore public improvements.
- 14. AFFORDABLE HOUSING.** The City requires that developers who receive TIF assistance for market rate housing set aside at a minimum, 20% of the units to meet affordability criteria established by the City's Department of Housing. Generally, this means that the affordable for-sale units should be priced at a level that they may be purchased by persons earning no more than 120% of the area median income, and affordable rental units should be affordable to persons earning no more than 80% of the median income.

To undertake these activities, redevelopment project costs will be incurred. "Redevelopment Project Costs" (hereafter defined as the "Redevelopment Project Costs") means the total sum of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Plan pursuant to the Act.

The estimated Redevelopment Project Costs are shown in Table 1. The total Redevelopment Project Costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, City interest and other financing costs). Within this limit, adjustments may be made in line items without amendment to this Plan. The Redevelopment Project Costs represent estimated amounts and **do not represent actual City commitments or expenditures.**

Table 1 - (Estimated Redevelopment Project Costs) represents those eligible project costs pursuant to the Act. These upper limit expenditures are potential costs to be expended over the maximum 23-year life of the Redevelopment Project Area. These funds are subject to the

amount of projects and incremental tax revenues generated and the City's willingness to fund proposed projects on a project-by-project basis.

TABLE 1 - ESTIMATED REDEVELOPMENT PROJECT COSTS

<u>Program/Action/Improvements</u>	<u>Estimated Costs</u>
Assemblage of Sites	\$ 7,000,000
Interest Costs	\$ 6,000,000
Job Training	\$ 5,500,000
Planning, Legal, Professional, Administration	\$ 1,000,000
Public Improvements	\$20,500,000 (1)
Rehabilitation of Structures	\$ 3,000,000
Site Preparation/Environmental/Remediation/Demolition	\$11,000,000
Relocation Costs	\$ 1,000,000
 TOTAL REDEVELOPMENT PROJECT COSTS*	 \$55,000,000(2)(3)

*Exclusive of capitalized interest, issuance costs and other financing costs.

(1) This category may also include reimbursing capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, the City may pay, or reimburse all, or a portion of the Board of Education's and the Park District's capital costs resulting from the Redevelopment project pursuant to a written agreement by the City accepting and approving such costs.

(2) In addition to the above stated costs, each issue of bonds issued to finance a phase of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above are expected and may be made by the City without amendment to the Plan. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs as a result of changed redevelopment costs and needs.

(3) The estimated Total Redevelopment Project Costs amount does not include private redevelopment costs or costs financed from non-TIF public resources. Total Redevelopment Project Costs are inclusive of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated only by a public right-of-way, that are permitted under the Act to be paid from incremental property taxes generated in the Redevelopment Project Area, but do not include project costs incurred in the Redevelopment Project Area which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated only by a public right-of-way.

D. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

Funds necessary to pay for Redevelopment Project Costs are to be derived principally from tax increment revenues and proceeds of municipal obligations, which are secured principally by tax increment revenues created under the Act. ~~There may be other sources of funds that the City may elect to use to pay for Redevelopment Project Costs or other obligations issued to pay for~~

such costs. These sources include, but are not limited to, state and federal grants, developer contributions and land disposition proceeds generated from the Redevelopment Project Area. The tax increment revenue that may be used to secure municipal obligations or pay for eligible Redevelopment Project Costs shall be the incremental real property tax revenue. Incremental real property tax revenue is attributable to the increase in the current EAV of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the certified EAV base of each such property in the Redevelopment Project Area. Without the adoption of the Plan and the use of such tax incremental revenues, the Redevelopment Project Area would not reasonably be anticipated to be developed.

The Redevelopment Project Area may, in the future, be contiguous to, or be separated only by a public right-of-way from, other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Redevelopment Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas, or those separated only by a public right-of-way, and vice versa. The amount of revenue from the Redevelopment Project Area made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Redevelopment Project Area, shall not at any time exceed the total redevelopment Project Costs described in the Plan. In addition, if the Redevelopment Project Area is contiguous to, or separated only by a public right-of-way from, one or more redevelopment project areas created under the Industrial Jobs Recovery Law (the "Law"), 65 ILCS 5/11-74.6-1, et seq. (1996 State Bar Edition), as amended (an "IJRL Project Area"), the City may utilize revenues received from such IJRL Project Area(s) to pay eligible redevelopment project costs or obligations issued to pay such costs in the Redevelopment Project Area, and vice versa. Such revenues may be transferred outright from or loaned by the IJRL Project Area to the Redevelopment Project Area, and vice versa. The amount of revenue from the Redevelopment Project Area made available to support any contiguous redevelopment project areas, or those redevelopment project areas separated only by a public right-of-way, when added to all amounts used to pay eligible redevelopment project costs within the Redevelopment Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan. This paragraph is intended to give the City the full benefit of the "portability" provisions set forth in the Act, 65 ILCS 5/11-74.4-4(q) and the Law, 65 ILCS 5/11-74.6-15(s).

E. ISSUANCE OF OBLIGATIONS

To finance Redevelopment Project Costs, the City may issue general obligation bonds or obligations secured by the anticipated tax increment revenue generated within the Redevelopment Project Area, or the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers to secure such obligations. In addition, the City may pledge toward payment of such obligations any part or any combination of the following: 1) net revenues of all or part of any redevelopment project; 2) taxes levied and

collected on any or all property in the City; and 3) a mortgage on part or all of the Redevelopment Project Area.

All obligations issued by the City pursuant to this Plan and the Act shall be retired within 23 years (by the year 2022) from the adoption of the ordinance approving the Redevelopment Project Area. Also, the final maturity date of any such obligations, which are issued, may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Plan. The amounts payable in any year as principal and interest on all obligations issued by the City pursuant to the Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds (including ad valorem taxes) as may be provided by ordinance. Obligations may be of parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

Tax increment revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and Redevelopment Project Costs, and to the extent that real property tax increment is not used for such purposes, shall be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

F. MOST RECENT EQUALIZED ASSESSED VALUATION OF PROPERTIES IN THE REDEVELOPMENT PROJECT AREA

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the Redevelopment Project Area is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Redevelopment Project Area. The total 1997 EAV of all taxable parcels in the Redevelopment Project Area is \$15,623,532. This total EAV amount, by PIN, is summarized in Table 2. The EAV is subject to verification by the Cook County Clerk. If the 1998 EAV shall become available prior to the date of the adoption of the Plan by the City Council, the City may update the Plan by replacing the 1997 EAV with the 1998 EAV without further City Council action. After verification by the County Clerk of Cook County, this amount will serve as the Certified Base EAV from which all incremental property taxes in the Redevelopment Project Area will be calculated by the County. The 1997 EAV of the Redevelopment Project Area is summarized by permanent index number (PIN) in Table 2 - 1997 EAV of this Plan.

G. ANTICIPATED EQUALIZED ASSESSED VALUATION

By the year 2005, when it is estimated that the Redevelopment Project, based on currently known information, will be completed and fully assessed, the estimated EAV of real property within the Redevelopment Project Area is estimated at between \$22,000,000 and \$26,000,000.

These estimates are based on several key assumptions, including: 1) all currently projected development will be completed by 2005; 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Redevelopment Project; 3) the most recent State Multiplier of 2.1489 as applied to 1997 assessed values will remain unchanged; 4) for the duration of the Redevelopment Project Area, the tax rate for the entire area is assumed to be the same and will remain unchanged from the 1997 level; and 5) growth from reassessments of existing properties in the Redevelopment Project Area will be at a rate of 2.5% per year with a reassessment every three years. Although development in the Redevelopment Project Area may occur after 2005, it is not possible to estimate with accuracy the effect of such future development on the EAV for the Redevelopment Project Area. In addition, as described in Section N of the Plan, "Phasing and Scheduling of Redevelopment," public improvements and the expenditure of Redevelopment Project Costs may be necessary in furtherance of the Plan throughout the 23-year period that the Plan is in effect.

H. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE

As described in Section IV - Blighted Area Conditions, the Redevelopment Project Area as a whole is adversely impacted by the presence of numerous factors, and these factors are reasonably distributed throughout the Redevelopment Project Area. The Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise. Continued existence of the factors referenced above and the lack of new development projects initiated or completed within the Redevelopment Project Area evidence the lack of private investment.

The lack of growth and investment by the private sector is supported by the trend in the EAV of all the property in the Redevelopment Project Area. The EAV for all property in the City increased from \$28,661,954,119 in 1993 to \$35,893,677,135 in 1997, a total of 25.23% or an average of 6.31% per year. Over the last four years, from 1993 to 1997, the Redevelopment Project Area has experienced an overall EAV *increase* of 7.57% from \$14,523,821 in 1993 to \$15,623,532 in 1997, an average *increase* of 1.89% per year.

A summary of the building permit requests for new construction and major renovation in the Redevelopment Project Area is found in Exhibit 2 - Building Permit Requests. Building permit requests for new construction and renovation for the Redevelopment Project Area from July 1993 - July 1998 totaled \$642,818.

It is clear from the study of this Redevelopment Project Area that private investment in revitalization and redevelopment has not occurred to overcome the Blighted Area conditions that currently exist. The Redevelopment Project Area is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Plan.

I. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT

Without the adoption of this Plan and tax increment financing, the Redevelopment Project Area is not reasonably expected to be redeveloped by private enterprise. There is a real prospect that the Blighted Area conditions will continue and are likely to spread, and the surrounding area will become less attractive for the maintenance and improvement of existing buildings and sites. The possible erosion of the assessed value of property, which would result from the lack of a concerted effort by the City to stimulate revitalization and redevelopment, could lead to a reduction of real estate tax revenue to all taxing districts. If successful, the implementation of the Plan may enhance the values of properties within and adjacent to the Redevelopment Project Area.

Subsections A, B, & C of Section V of this Plan describe the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Project will be staged with various developments taking place over a period of years. If the Redevelopment Project is successful, various new private projects will be undertaken that will assist in alleviating the blighting conditions which caused the Redevelopment Project Area to qualify as a Blighted Area under the Act, creating new jobs and promoting development in the Redevelopment Project Area.

The Redevelopment Project is expected to have minor financial impacts on the taxing districts affected by the Plan. During the period when tax increment financing is utilized in furtherance of this Plan, real estate tax increment revenues (from the increases in EAV over and above the Certified Base EAV established at the time of adoption of this Plan) will be used to pay eligible redevelopment project costs for the Redevelopment Project Area. Incremental revenues will not be available to these taxing districts during this period. When the Redevelopment Project Area is no longer in place, the real estate tax revenues will be distributed to all taxing districts levying taxes against property located in the Redevelopment Project Area.

J. DEMAND ON TAXING DISTRICT SERVICES

The following major taxing districts presently levy taxes on properties located within the Redevelopment Project Area: City of Chicago; Chicago Board of Education District 299; Chicago School Finance Authority; Chicago Park District; Chicago Community College District 508; Metropolitan Water Reclamation District of Greater Chicago; County of Cook; and Cook County Forest Preserve District.

The proposed Redevelopment Plan and Project involves the rehabilitation of existing residential and commercial buildings and the construction of new residential and commercial developments. Currently there is only one school in the Redevelopment Project Area, the Ray Graham Training Center, a special education high school. ~~A coordinated planning effort will be developed with the Chicago Board of Education as development occurs within the area to accommodate any~~

new residents (see Map 5). Therefore, as discussed below, the financial burden of the Redevelopment Plan and Project on taxing districts is expected to be moderate.

In addition to the major taxing districts summarized above, the City of Chicago Library Fund has taxing jurisdiction over part or all of the Redevelopment Project Area. The City of Chicago Library Fund (formerly a separate taxing district from the City) no longer extends taxing levies but continues to exist for the purpose of receiving delinquent taxes.

IMPACT OF THE REDEVELOPMENT PROJECT

The replacement of vacant and underutilized properties with residential and commercial development may increase the demand for services and/or capital improvements to be provided by the Chicago Board of Education, the Metropolitan Water Reclamation District, the Chicago Park District and the City. The estimated nature of these increased demands for services on these taxing districts are described below.

Chicago Board of Education. The residential rehabilitation may increase demand for the educational services and the number of schools provided by the Chicago Board of Education. The only school in the Redevelopment Project Area, the Ray Graham Training Center, is a special education high school. The City will monitor residential development, with the cooperation of the Chicago Board of Education, to ensure that any increase in demand for services will be addressed.

Metropolitan Water Reclamation District of Greater Chicago. The replacement of vacant and underutilized properties should not substantially increase the demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.

Chicago Park District. The replacement of vacant and underutilized properties with new development may increase the need for additional parks. The City intends to monitor development with the cooperation of the Chicago Park District to ensure that any increase in the demand for services will be adequately addressed.

City of Chicago. The replacement of vacant and underutilized properties may increase the demand for services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc. It is expected that any increase in demand for the City services and programs maintained and operated by the City can be adequately addressed by the appropriate City departments.

K. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS

As described in detail in prior sections of this Plan, the complete scale and amount of development in the Redevelopment Project Area cannot be predicted with complete certainty and the demand for services provided by the affected taxing districts cannot be quantified. As a result, the City has not developed, at present, a specific plan to address the impact of the Redevelopment Project on taxing districts.

As indicated in Section V, subsection C and Table 1, Estimated Redevelopment Project Costs, the City may provide public improvements and facilities to service the Redevelopment Project Area. Potential public improvements and facilities provided by the City may mitigate some of the additional service and capital demands placed on taxing districts as a result of the implementation of this Redevelopment Project.

In 1994, the Act was amended to require an assessment of any financial impact of the Redevelopment Project Area on, or any increased demand for services from, any taxing district affected by the Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the Redevelopment Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

L. PROVISION FOR AMENDING ACTION PLAN

The 24th/Michigan Redevelopment Project Area Tax Increment Finance Program Redevelopment Project may be amended pursuant to the provisions of the Act.

M. FAIR EMPLOYMENT PRACTICES, AFFIRMATIVE ACTION PLAN AND PREVAILING WAGE AGREEMENT

The City is committed to and will affirmatively implement the following principles with respect to the Redevelopment Project Area.

1. The assurance of equal opportunity in all personnel and employment actions with respect to the Redevelopment Project, including but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed, or ancestry.
2. Redevelopers must meet City's standards for participation of 25% Minority Business Enterprise and 5% Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in Redevelopment Agreements.

3. This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
4. Redevelopers must meet City standards for the prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

The City shall have the right in its sole discretion to exempt certain small businesses and developers from items two and four above.

N. PHASING AND SCHEDULING OF REDEVELOPMENT

A phased implementation strategy will be used to achieve a timely and orderly redevelopment of the Redevelopment Project Area. It is expected that over the 23 years that this Plan is in effect for the Redevelopment Project Area, numerous public/private improvements and developments can be expected to take place. The specific time frame and financial investment will be staged in a timely manner. Development within the Redevelopment Project Area intended to be used for housing and commercial purposes will be staged consistently with the funding and construction of infrastructure improvements, and private sector interest in new industrial facilities. City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers. The estimated completion date of the Redevelopment Project shall be no later than 23 years from the adoption of the ordinance by the City Council approving the Redevelopment Project Area.

APPENDIX

TABLE 1 - ESTIMATED REDEVELOPMENT PROJECT COSTS

<u>Program/ Action/Improvements</u>	<u>Estimated Costs</u>
Assemblage of Sites	\$ 7,000,000
Interest Costs	\$ 6,000,000
Job Training	\$ 5,500,000
Planning, Legal, Professional, Administration	\$ 1,000,000
Public Improvements	\$20,500,000 (1)
Rehabilitation of Structures	\$ 3,000,000
Site Preparation/Environmental Remediation/Demolition	\$11,000,000
Relocation Costs	\$ 1,000,000
TOTAL REDEVELOPMENT PROJECT COSTS*	\$55,000,000(2)(3)

*Exclusive of capitalized interest, issuance costs and other financing costs.

(1) This category may also include reimbursing capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, the City may pay, or reimburse all, or a portion of the Board of Education's and the Park District's capital costs resulting from the Redevelopment project pursuant to a written agreement by the City accepting and approving such costs.

(2) In addition to the above stated costs, each issue of bonds issued to finance a phase of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above are expected and may be made by the City without amendment to the Plan. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs as a result of changed redevelopment costs and needs.

(3) The estimated Total Redevelopment Project Costs amount does not include private redevelopment costs or costs financed from non-TIF public resources. Total Redevelopment Project Costs are inclusive of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated only by a public right-of-way, that are permitted under the Act to be paid from incremental property taxes generated in the Redevelopment Project Area, but do not include project costs incurred in the Redevelopment Project Area which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated only by a public right-of-way.

TABLE 2 - 1997 EQUALIZED ASSESSED VALUATION

PERMANENT INDEX EAV		
	NUMBER	
1	17 21 416 005	Exempt
2	17 21 417 006	Exempt
3	17 21 417 017	Exempt
4	17 21 417 018	Exempt
5	17 21 417 019	Exempt
6	17 21 418 013	Exempt
7	17 21 418 015	Exempt
8	17 21 418 029	Exempt
9	17 21 418 030	Exempt
10	17 21 418 032	Exempt
11	17 21 419 003	Exempt
12	17 21 419 005	Exempt
13	17 21 419 006	Exempt
14	17 21 419 007	Exempt
15	17 21 420 021	\$32,698
16	17 21 420 022	\$16,572
17	17 21 420 023	\$4,835
18	17 21 420 024	\$28,701
19	17 21 420 031	\$50,218
20	17 21 420 044	\$32,079
21	17 21 420 057	\$219
22	17 21 420 059	\$25,239
23	17 21 420 063	\$37,782
24	17 21 420 064	\$31,469
25	17 21 421 028	\$11,933
26	17 21 421 029	\$25,383
27	17 21 421 030	\$16,871
28	17 21 422 010	Exempt
29	17 21 422 011	\$41,996
30	17 21 423 018	Exempt
31	17 21 423 019	Exempt
32	17 21 423 020	\$215,412
33	17 21 424 002	Exempt
34	17 21 424 007	Exempt
35	17 21 424 011	Exempt
36	17 21 424 018	Exempt
37	17 21 424 019	Exempt
38	17 21 424 020	Exempt

PERMANENT INDEX EAV		
	NUMBER	
39	17 21 424 021	Exempt
40	17 21 424 022	Exempt
41	17 21 424 023	Exempt
42	17 21 425 019	Exempt
43	17 21 425 024	Exempt
44	17 21 425 028	Exempt
45	17 21 425 031	Exempt
46	17 21 425 032	Exempt
47	17 21 425 033	Exempt
48	17 21 425 034	Exempt
49	17 21 425 035	Exempt
50	17 21 425 036	Exempt
51	17 21 425 037	Exempt
52	17 21 505 018	Exempt
53	17 21 505 020	Exempt
54	17 21 505 025	Exempt
55	17 21 505 026	Exempt
56	17 27 100 006	\$130,372
57	17 27 100 009	\$9,593
58	17 27 100 010	\$9,593
59	17 27 100 011	\$96,004
60	17 27 100 012	\$93,305
61	17 27 100 013	\$3,258
62	17 27 100 016	Exempt
63	17 27 101 021	\$163,198
64	17 27 101 022	\$230,824
65	17 27 101 023	\$84,306
66	17 27 101 024	\$59,335
67	17 27 101 025	\$118,252
68	17 27 101 026	\$20,997
69	17 27 101 027	\$20,258
70	17 27 102 002	\$188,820
71	17 27 102 003	\$185,665
72	17 27 102 004	\$192,170
73	17 27 102 005	\$76,817
74	17 27 102 006	\$76,817
75	17 27 102 007	\$41,497
76	17 27 102 008	\$17,851
77	17 27 102 009	\$17,851

City of Chicago
24th/Michigan - Redevelopment Plan

78	17 27 102 010	\$207,291
79	17 27 102 011	\$166,447
80	17 27 102 012	\$286,483
81	17 27 102 013	\$140,110
82	17 27 102 023	\$221,685
83	17 27 102 025	\$465,671
84	17 27 102 026	\$144,548
85	17 27 103 003	\$34,529
86	17 27 103 004	\$13,048
87	17 27 103 005	\$11,514
88	17 27 103 006	\$16,605
89	17 27 104 013	\$93,608
90	17 27 104 014	\$13,811
91	17 27 104 015	\$37,836
92	17 27 104 016	\$36,203
93	17 27 104 017	\$35,483
94	17 27 104 018	\$30,508
95	17 27 104 025	\$54,634
96	17 27 108 001	Exempt
97	17 27 108 002	Exempt
98	17 27 108 003	Exempt
99	17 27 108 004	\$12,543
100	17 27 108 005	\$198,784
101	17 27 108 006	\$23,223
102	17 27 108 007	\$10,351
103	17 27 108 008	\$10,351
104	17 27 108 009	\$10,351
105	17 27 108 010	\$10,351
106	17 27 108 011	\$10,351
107	17 27 108 012	\$10,145
108	17 27 108 013	Exempt
109	17 27 108 016	\$30,661
110	17 27 108 017	\$30,661
111	17 27 108 018	\$83,003
112	17 27 108 026	\$115,063
113	17 27 108 027	\$63,979
114	17 27 108 028	\$15,979
115	17 27 108 029	\$15,979
116	17 27 108 030	\$15,979
117	17 27 108 031	\$28,937
118	17 27 108 032	\$18,928
119	17 27 108 034	\$231,600
120	17 27 108 035	Exempt
121	17 27 108 036	Exempt
122	17 27 108 037	Exempt
123	17 27 108 038	\$57,419
124	17 27 108 039	\$27,742

125	17 27 109 001	\$358,512
126	17 27 109 005	\$398,952
127	17 27 109 006	\$77,842
128	17 27 109 007	\$63,339
129	17 27 109 008	\$32,362
130	17 27 109 009	\$18,622
131	17 27 109 010	\$54,732
132	17 27 109 011	\$193,397
133	17 27 109 012	\$19,059
134	17 27 109 013	\$15,231
135	17 27 109 014	\$8,080
136	17 27 109 015	\$141,862
137	17 27 109 018	Exempt
138	17 27 109 019	\$257,614
139	17 27 109 023	Exempt
140	17 27 109 024	Exempt
141	17 27 110 001	\$234,598
142	17 27 110 002	\$59,067
143	17 27 110 003	\$47,201
144	17 27 110 004	\$81,806
145	17 27 110 008	\$46,103
146	17 27 110 009	\$108,616
147	17 27 110 010	\$57,395
148	17 27 110 011	\$108,197
149	17 27 110 012	\$97,878
150	17 27 110 013	\$242,882
151	17 27 110 014	\$208,443
152	17 27 110 015	\$207,229
153	17 27 110 016	\$16,787
154	17 27 110 017	\$31,909
155	17 27 110 018	\$139,386
156	17 27 110 019	\$69,459
157	17 27 110 020	\$64,736
158	17 27 110 021	\$117,536
159	17 27 110 022	\$35,180
160	17 27 110 023	\$37,376
161	17 27 110 024	\$61,772
162	17 27 110 025	\$125,240
163	17 27 110 026	\$212,793
164	17 27 110 027	\$41,364
165	17 27 110 028	\$41,038
166	17 27 110 029	\$13,529
167	17 27 110 030	\$97,416
168	17 27 110 032	\$45,116
169	17 27 110 033	\$57,397
170	17 27 111 003	\$38,966
171	17 27 111 004	\$41,083
172	17 27 111 005	\$44,749

City of Chicago
24th/Michigan - Redevelopment Plan

173	17 27 111 006	\$33,136
174	17 27 111 007	\$89,179
175	17 27 111 008	\$40,949
176	17 27 111 009	\$22,890
177	17 27 111 011	\$25,312
178	17 27 111 012	\$146,460
179	17 27 111 013	\$97,459
180	17 27 111 014	\$107,645
181	17 27 111 015	\$30,673
182	17 27 111 016	\$38,740
183	17 27 111 020	\$18,201
184	17 27 111 021	\$26,356
185	17 27 111 022	\$1,057,884
186	17 27 115 001	\$5,776
187	17 27 115 002	\$2,407
188	17 27 115 003	\$2,407
189	17 27 115 004	\$3,382
190	17 27 115 005	\$7,100
191	17 27 115 006	\$30,897
192	17 27 115 007	\$72,981
193	17 27 115 008	\$72,981
194	17 27 115 009	\$7,106
195	17 27 115 010	\$3,552
196	17 27 115 011	\$3,552
197	17 27 115 012	Exempt
198	17 27 115 013	Exempt
199	17 27 115 014	Exempt
200	17 27 115 015	Exempt
201	17 27 115 016	\$39,791
202	17 27 115 017	\$38,472
203	17 27 115 018	\$35,693
204	17 27 115 019	\$27,815
205	17 27 115 020	\$17,844
206	17 27 115 021	\$17,844
207	17 27 115 022	\$24,351
208	17 27 115 023	\$144,453
209	17 27 115 025	Exempt
210	17 27 115 026	Exempt
211	17 27 115 032	Exempt
212	17 27 115 033	Exempt
213	17 27 115 034	\$150,789
214	17 27 115 035	Exempt
215	17 27 116 001	Exempt
216	17 27 116 002	\$91,891
217	17 27 116 006	\$53,149
218	17 27 116 008	\$226
219	17 27 116 009	\$37,223

220	17 27 116 010	\$92,450
221	17 27 116 011	\$113,945
222	17 27 116 012	Exempt
223	17 27 116 018	\$205,400
224	17 27 116 019	\$135,228
225	17 27 116 022	\$105,023
226	17 27 116 023	\$117,685
227	17 27 116 026	Exempt
228	17 27 116 036	\$1,734
229	17 27 116 037	\$100,188
230	17 27 116 041	Exempt
231	17 27 116 043	\$32,448
232	17 27 117 001	\$227,837
233	17 27 117 002	\$56,628
234	17 27 117 003	\$116,814
235	17 27 117 004	\$88,363
236	17 27 117 005	\$53,626
237	17 27 117 006	Exempt
238	17 27 117 015	\$14,355
239	17 27 117 016	\$13,813
240	17 27 117 017	\$47,123
241	17 27 117 018	\$15,070
242	17 27 117 019	\$11,922
243	17 27 117 022	Exempt
244	17 27 117 023	Exempt
245	17 27 117 024	Exempt
246	17 27 117 029	Exempt
247	17 27 117 030	Exempt
248	17 27 117 031	\$52,463
249	17 27 117 032	Exempt
250	17 27 117 034	Exempt
251	17 27 117 035	\$13,895
252	17 27 118 001	\$14,333
253	17 27 118 002	\$6,900
254	17 27 118 003	\$5,308
255	17 27 118 004	\$12,107
256	17 27 118 005	\$57,687
257	17 27 118 006	\$37,172
258	17 27 118 007	\$10,637
259	17 27 118 008	\$59,133
260	17 27 118 009	\$93,931
261	17 27 118 016	\$19,875
262	17 27 118 017	\$19,875
263	17 27 118 020	\$107,888
264	17 27 118 021	\$56,172
265	17 27 118 022	\$39,795
266	17 27 118 023	\$30,048
267	17 27 118 034	\$106,551

City of Chicago
24th/Michigan - Redevelopment Plan

268	17 27 118 040	\$44,768
269	17 27 118 041	Exempt
270	17 27 500 004	Exempt
271	17 27 500 006	Exempt
272	17 27 500 007	Exempt
273	17 27 500 008	Exempt
274	17 27 500 009	Exempt
275	17 27 500 010	Exempt
276	17 27 500 011	Exempt
277	17 27 500 012	Exempt
278	17 28 204 004	Exempt
279	17 28 205 001	\$28,606
280	17 28 206 001	Exempt
281	17 28 206 002	Exempt
282	17 28 206 003	Exempt
283	17 28 206 004	Exempt
284	17 28 206 042	Exempt
285	17 28 206 043	Exempt
286	17 28 206 044	Exempt
287	17 28 206 045	Exempt
288	17 28 206 046	Exempt
289	17 28 207 012	Exempt
290	17 28 207 033	Exempt
291	17 28 207 034	Exempt
292	17 28 207 035	Exempt
293	17 28 207 036	Exempt
294	17 28 216 003	\$51,408
295	17 28 217 033	Exempt
296	17 28 217 034	Exempt
297	17 28 217 035	Exempt
298	17 28 217 036	Exempt
299	17 28 218 028	Exempt
300	17 28 218 029	Exempt
301	17 28 218 030	Exempt
302	17 28 225 004	RR
303	17 28 226 001	\$460,049
304	17 28 226 003	\$7,446
305	17 28 226 005	\$101,834
306	17 28 226 007	\$9,348
307	17 28 226 008	Exempt
308	17 28 226 009	Exempt
309	17 28 226 010	\$10,549
310	17 28 227 001	Exempt
311	17 28 227 002	Exempt
312	17 28 227 003	Exempt
313	17 28 227 004	Exempt
314	17 28 227 005	Exempt

315	17 28 227 008	Exempt
316	17 28 227 009	Exempt
317	17 28 502 002	RR
318	17 28 502 003	RR
	Total:	\$15,623,532

EXHIBIT 1 - LEGAL DESCRIPTION

THAT PART OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14 EAST, THAT PART OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST, THAT PART OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 39 NORTH, RANGE 14 EAST AND THAT PART OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE SOUTHERLY RIGHT-OF-WAY LINE OF WEST CULLERTON STREET AND THE WESTERLY RIGHT-OF-WAY LINE OF SOUTH STATE STREET; THENCE SOUTHERLY ON SAID WESTERLY RIGHT-OF-WAY LINE OF SOUTH STATE STREET TO THE SOUTHERLY LINE EXTENDED WESTERLY OF BLOCK 7 IN CANAL TRUSTEE'S SUBDIVISION OF THE WEST HALF OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 4, 1848 (ANTE FIRE) AND RE-RECORDED SEPTEMBER 24, 1877 AS DOCUMENT 151615 IN COOK COUNTY, ILLINOIS; THENCE EASTERLY ON SAID WESTERLY EXTENSION TO THE EASTERLY RIGHT-OF-WAY LINE OF SOUTH STATE STREET; THENCE SOUTHERLY ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID SOUTH STATE STREET TO THE NORTHERLY LINE OF THE SOUTH 100 FEET OF THE WEST 111.75 FEET OF BLOCK 20 IN CANAL TRUSTEE'S SUBDIVISION OF THE WEST HALF OF SAID SECTION 27, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 4, 1848 AND RE-RECORDED SEPTEMBER 24, 1877 AS DOCUMENT #15615 IN COOK COUNTY, ILLINOIS; THENCE EASTERLY ON THE NORTH LINE TO THE WESTERLY RIGHT-OF-WAY LINE OF THE CTA; THENCE NORTHERLY ON SAID WESTERLY RIGHT-OF-WAY LINE TO THE SOUTH LINE OF BLOCK 7 IN SAID CANAL TRUSTEE'S SUBDIVISION; THENCE EASTERLY ON SAID SOUTHERLY LINE TO THE WEST LINE OF THE EAST 197.4 FEET OF SAID BLOCK 7; THENCE NORTHERLY ON SAID WEST LINE TO THE NORTH LINE OF THE SOUTH 112.83 FEET OF SAID EAST 197.4 FEET; THENCE EASTERLY ON SAID NORTH LINE AND NORTH LINE EXTENDED EASTERLY TO THE CENTERLINE OF SOUTH WABASH AVENUE; THENCE SOUTHERLY ON SAID CENTERLINE TO THE WESTERLY EXTENSION OF THE SOUTHERLY LINE OF BLOCK 8 IN SAID CANAL TRUSTEE'S SUBDIVISION; THENCE EASTERLY ON SAID WESTERLY EXTENSION OF SAID SOUTHERLY LINE, THE SOUTHERLY LINE AND THE EASTERLY EXTENSION OF SAID LINE TO THE EASTERLY RIGHT-OF-WAY LINE OF SOUTH MICHIGAN AVENUE; THENCE NORTHERLY ON SAID EASTERLY RIGHT-OF-WAY LINE TO THE SOUTHERLY LINE OF LOT 4 IN THE ASSESSOR'S DIVISION OF THE WEST PART OF BLOCK 4 OF THE WEST HALF OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN AND THE NORTH 185 FEET OF BLOCK 40 IN CANAL TRUSTEE'S SUBDIVISION OF THE WEST HALF OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; THENCE EASTERLY ALONG SAID SOUTHERLY LINE OF LOT 4 TO THE EASTERLY LINE OF THE NORTH AND SOUTH ALLEY ADJOINING SAID LOT 4; THENCE NORTHERLY ON SAID EAST ALLEY LINE TO THE SOUTHERLY LINE OF 22ND STREET (CERMAK ROAD) AS WIDENED; THENCE EASTERLY ON SAID SOUTHERLY LINE TO THE EASTERLY RIGHT-OF-WAY LINE OF SAID INDIANA AVENUE; THENCE SOUTHERLY ON SAID EASTERLY RIGHT-OF-WAY LINE TO THE SOUTHERLY LINE OF LOT 10 IN THE SUBDIVISION OF BLOCK 17 IN SAID CANAL TRUSTEE'S SUBDIVISION OF THE WEST HALF OF SECTION 27; THENCE EASTERLY ON SAID EXTENSION AND SAID LINE TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF COTTAGE GROVE AVENUE; THENCE NORTHWESTERLY ON SAID NORTHEASTERLY RIGHT-OF-WAY LINE TO THE WESTERLY LINE OF LOT 7 IN GOULD'S SUBDIVISION OF BLOCK 3 IN SAID CANAL TRUSTEE'S SUBDIVISION; THENCE NORTHERLY ON SAID WESTERLY LINE OF LOT 7 AND THE WESTERLY LINE EXTENDED NORTHERLY TO THE NORTHERLY LINE OF AN EAST AND WEST ALLEY; THENCE EASTERLY ON SAID NORTHERLY LINE OF THE ALLEY TO THE WEST RIGHT-OF-WAY LINE OF SOUTH PRAIRIE AVENUE (SAID POINT ALSO BEING THE SOUTHEAST CORNER OF LOT 6 IN HALE'S SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 3 IN SAID CANAL TRUSTEE'S SUBDIVISION); THENCE SOUTHERLY ON SAID WEST RIGHT-OF-WAY LINE OF SOUTH PRAIRIE AVENUE TO AN INTERSECTION WITH THE WESTERLY EXTENSION OF THE NORTH LINE OF AN EAST

AND WEST ALLEY, SAID LINE ALSO BEING THE SOUTHERLY LINE OF LOTS 1 TO 11, BOTH INCLUSIVE IN THE ASSESSOR'S DIVISION OF BLOCKS 2, 12 AND 15 (EXCEPT THE EAST HALF OF THE SOUTH 120 FEET OF BLOCK 15) IN SAID CANAL TRUSTEE'S SUBDIVISION; THENCE EASTERLY ALONG SAID NORTHERLY LINE OF THE EAST AND WEST ALLEY EXTENDED WESTERLY TO THE EASTERLY RIGHT-OF-WAY LINE OF SOUTH PRAIRIE AVENUE; THENCE SOUTHERLY ON SAID EASTERLY RIGHT-OF-WAY LINE TO THE SOUTHERLY RIGHT-OF-WAY LINE OF EAST 24TH PLACE; THENCE WESTERLY ON SAID SOUTHERLY RIGHT-OF-WAY LINE TO THE NORTHERLY LINE OF ADLAI E. STEVENSON EXPRESSWAY; THENCE WESTERLY, SOUTHWESTERLY, AND NORTHWESTERLY ON SAID NORTHERLY RIGHT-OF-WAY LINE OF THE EXPRESSWAY TO THE EASTERLY RIGHT-OF-WAY LINE OF THE NEW YORK CENTRAL RAILROAD RIGHT-OF-WAY; THENCE NORTHERLY ON SAID EASTERLY RIGHT-OF-WAY TO THE SOUTHERLY RIGHT-OF-WAY LINE OF 22ND STREET (CERMAK ROAD); THENCE WESTERLY ON SAID SOUTHERLY RIGHT-OF-WAY LINE TO THE WESTERLY RIGHT-OF-WAY LINE OF SAID NEW YORK CENTRAL RAILROAD; THENCE SOUTHERLY ON SAID WESTERLY RAILROAD RIGHT-OF-WAY TO THE SOUTHERLY RIGHT-OF-WAY LINE OF 23RD STREET; THENCE WESTERLY ON SAID SOUTHERLY RIGHT-OF-WAY LINE OF 23RD STREET TO THE WESTERLY RIGHT-OF-WAY LINE OF LASALLE STREET; THENCE NORTHERLY ON SAID WESTERLY RIGHT-OF-WAY LINE TO THE SOUTHERLY RIGHT-OF-WAY LINE OF 22ND STREET (CERMAK ROAD); THENCE WESTERLY ON SAID SOUTHERLY RIGHT-OF-WAY LINE TO THE CENTERLINE OF WENTWORTH AVENUE; THENCE NORTHERLY ON SAID CENTERLINE TO THE SOUTHEASTERLY EXTENSION OF A NORTHWEST AND SOUTHEAST ALLEY; THENCE NORTHWESTERLY ON SAID SOUTHEASTERLY EXTENSION, THE SOUTHEASTERLY LINE AND NORTHWESTERLY EXTENSION TO THE NORTHWESTERLY RIGHT-OF-WAY LINE OF ARCHER AVENUE; THENCE NORTHEASTERLY ON SAID NORTHWESTERLY RIGHT-OF-WAY LINE TO THE SOUTHERLY RIGHT-OF-WAY LINE OF WEST CULLERTON STREET; THENCE EASTERLY ON SAID SOUTHERLY LINE TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

Legal Description prepared on April 1, 1999 by:
Manhard Consulting, Ltd.
900 Woodlands Parkway
Vernon Hills, Illinois 60061
(847) 634-5550
2004-1.WPD

EXHIBIT 2 - BUILDING PERMIT REQUESTS

NEW CONSTRUCTION/INVESTMENT PERMITS

	Permit #	Date	Address	Investment
1.	843075	3/24/97	60 E. 23rd Street	\$12,000
2.	778967	12/1/93	234 E. 24th Street	\$39,300
3.	779910	12/22/93	44 W. 24th Street	\$117,854
4.	812549	10/6/95	2419 S. Indiana Avenue	\$50,000
5.	777896	11/4/93	2328 S. Michigan Avenue	\$11,000
6.	797121	12/2/94	2420 S. Prairie Avenue	\$300,000
7.	772242	7/16/93	2350 S. State Street	\$112,664
			TOTAL (7 permits)	\$642,818

DEMOLITION PERMITS

Permit #	Date	Address	Amount
846670	05/15/98	234 E. 23rd Street	\$18,300
816184	12/14/95	53 W. 24th Street	\$0
96000799	02/21/96	2406 S. Indiana Avenue	\$0
		Total (3 permits)	\$18,300

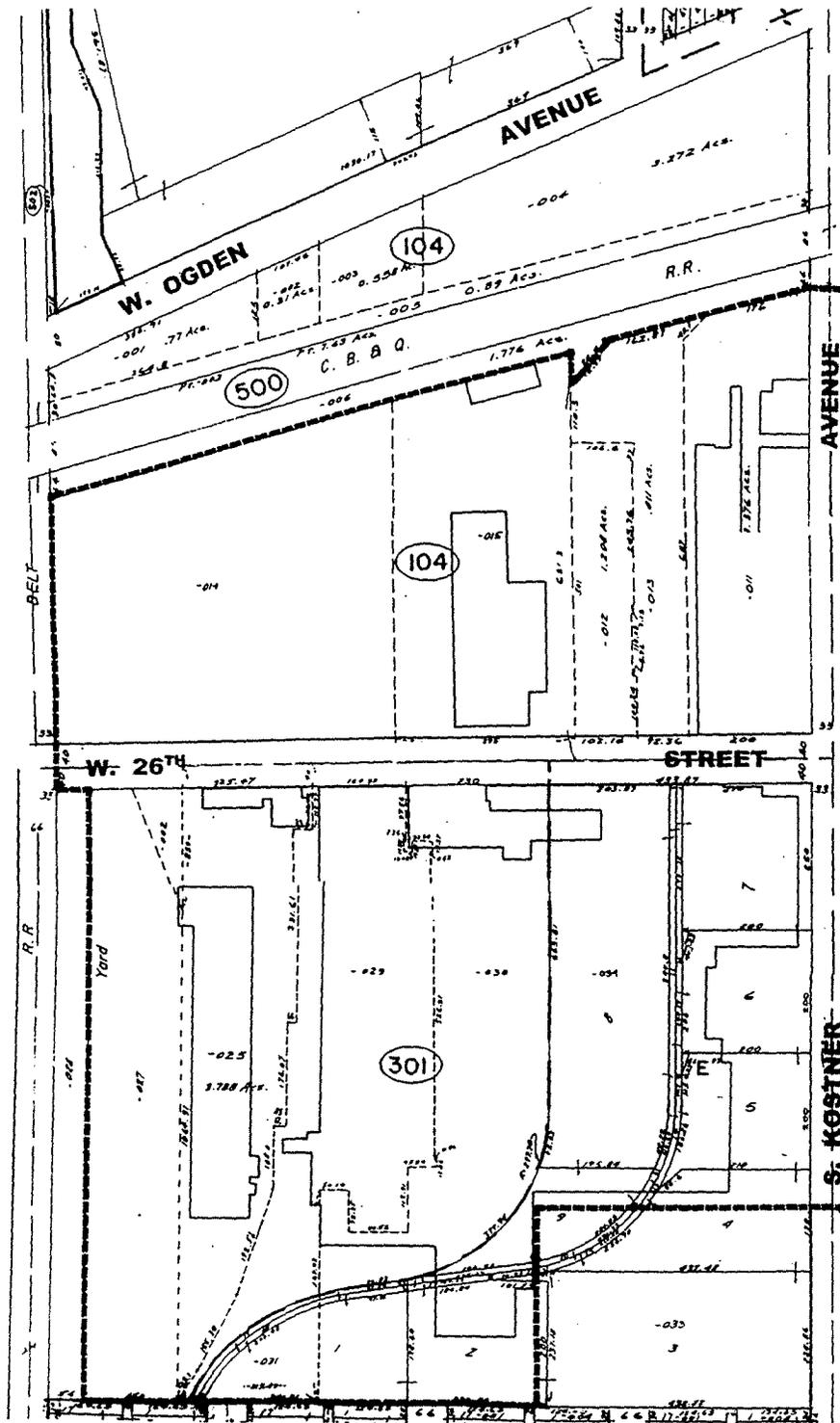
EXHIBIT 3 - PROPERTIES TO BE ACQUIRED

- | | |
|-------------------|-------------------|
| 1. 17 27 100 006 | 15. 17 27 115 007 |
| 2. 17 27 108 001 | 16. 17 27 115 008 |
| 3. 17 27 108 002 | 17. 17 27 115 009 |
| 4. 17 27 108 003 | 18. 17 27 115 010 |
| 5. 17 27 108 004 | 19. 17 27 115 011 |
| 6. 17 27 108 013 | 20. 17 27 115 012 |
| 7. 17 27 108 034 | 21. 17 27 115 013 |
| 8. 17 27 108 038 | 22. 17 27 115 014 |
| 9. 17 27 108 039 | 23. 17 27 115 015 |
| 10. 17 27 115 001 | 24. 17 27 115 016 |
| 11. 17 27 115 002 | 25. 17 27 115 017 |
| 12. 17 27 115 003 | 26. 17 27 115 018 |
| 13. 17 27 115 004 | 27. 17 28 205 001 |
| 14. 17 27 115 005 | 28. 17 28 216 003 |

EXHIBIT 4 - MAP LEGEND

- MAP 1 REDEVELOPMENT PROJECT BOUNDARY
- MAP 2 EXISTING LAND USE
- MAP 3 PROPOSED LAND USE
- MAP 4 PROPERTIES THAT MAY BE ACQUIRED
- MAP 5 AREA MAP - SCHOOL, PARKS AND PUBLIC FACILITIES

26th / KOSTNER TAX INCREMENT FINANCING DISTRICT



----- Project Boundary



REDEVELOPMENT PLAN - MAP 1

UNITED SURVEY SERVICE CO.
8033 CHURCHILL, NILES IL 60714 PH : (847) 581-0040

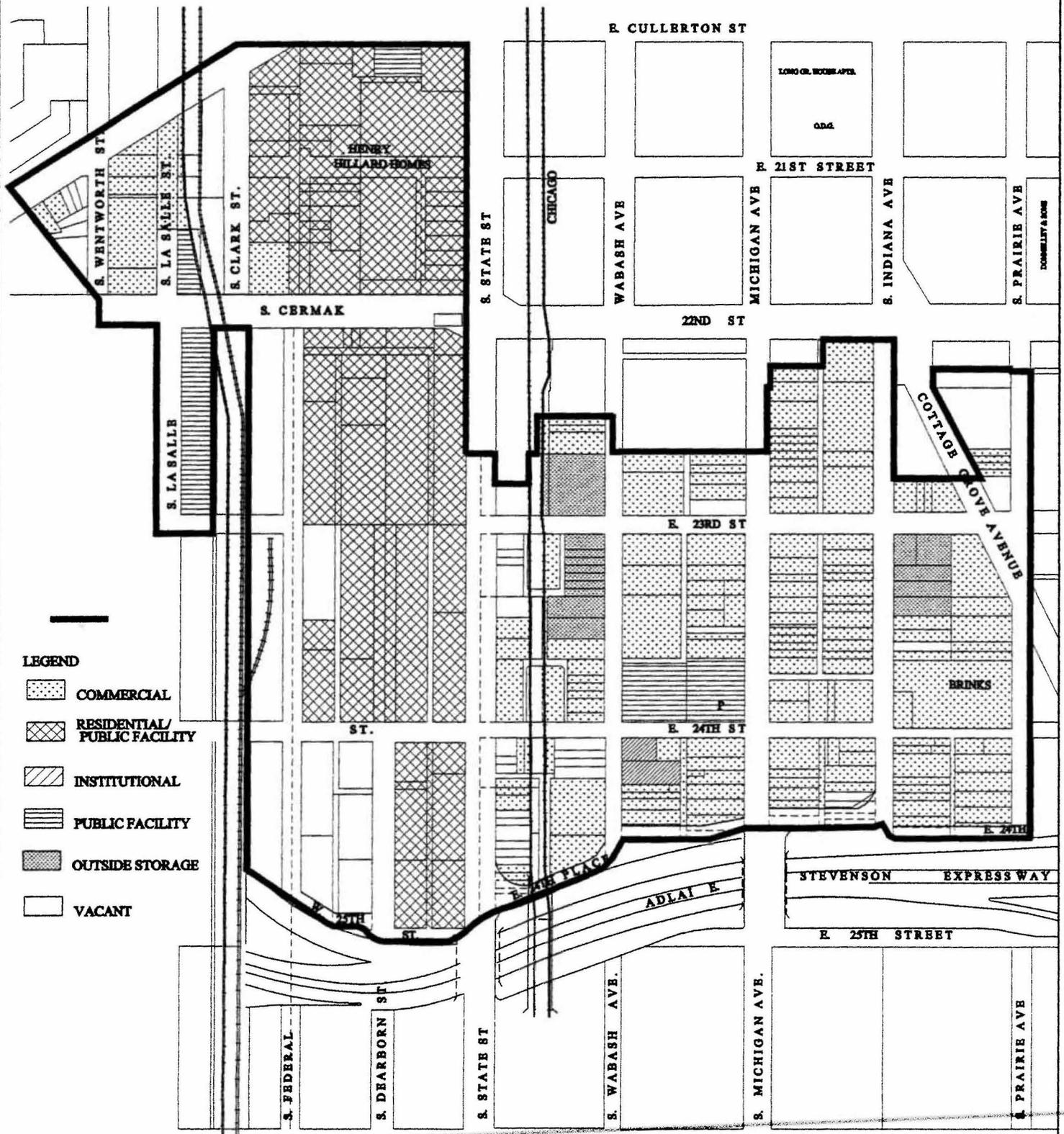
LOUIK / SCHNEIDER
& ASSOCIATES, INC.

CITY OF CHICAGO
10-8-97

24th/Michigan TIF

EXISTING LAND USE MAP

MAP 2



LEGEND

-  COMMERCIAL
-  RESIDENTIAL/
PUBLIC FACILITY
-  INSTITUTIONAL
-  PUBLIC FACILITY
-  OUTSIDE STORAGE
-  VACANT

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ECONOMIC DEVELOPMENT • CONSTRUCTION MANAGEMENT



MACONDO
corp.

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54 W. Hubbard St. Suite 210, Chicago Il 60610

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DATE:

4/6/99

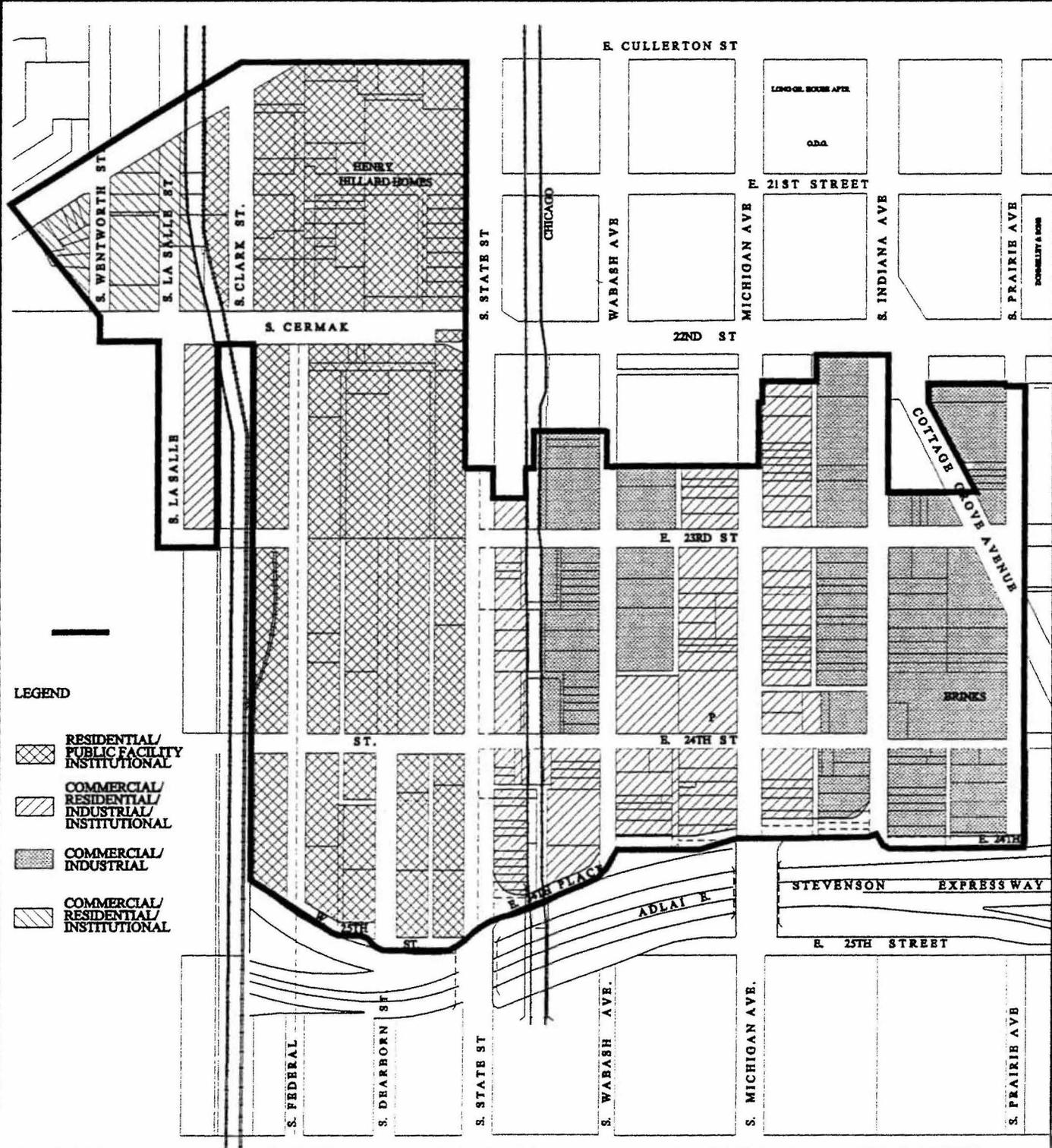


NORTH

24th/Michigan TIF

REDEVELOPMENT PLAN: PROPOSED LAND USE MAP

MAP 3



LEGEND

-  RESIDENTIAL/
PUBLIC FACILITY/
INSTITUTIONAL
-  COMMERCIAL/
RESIDENTIAL/
INDUSTRIAL/
INSTITUTIONAL
-  COMMERCIAL/
INDUSTRIAL
-  COMMERCIAL/
RESIDENTIAL/
INSTITUTIONAL

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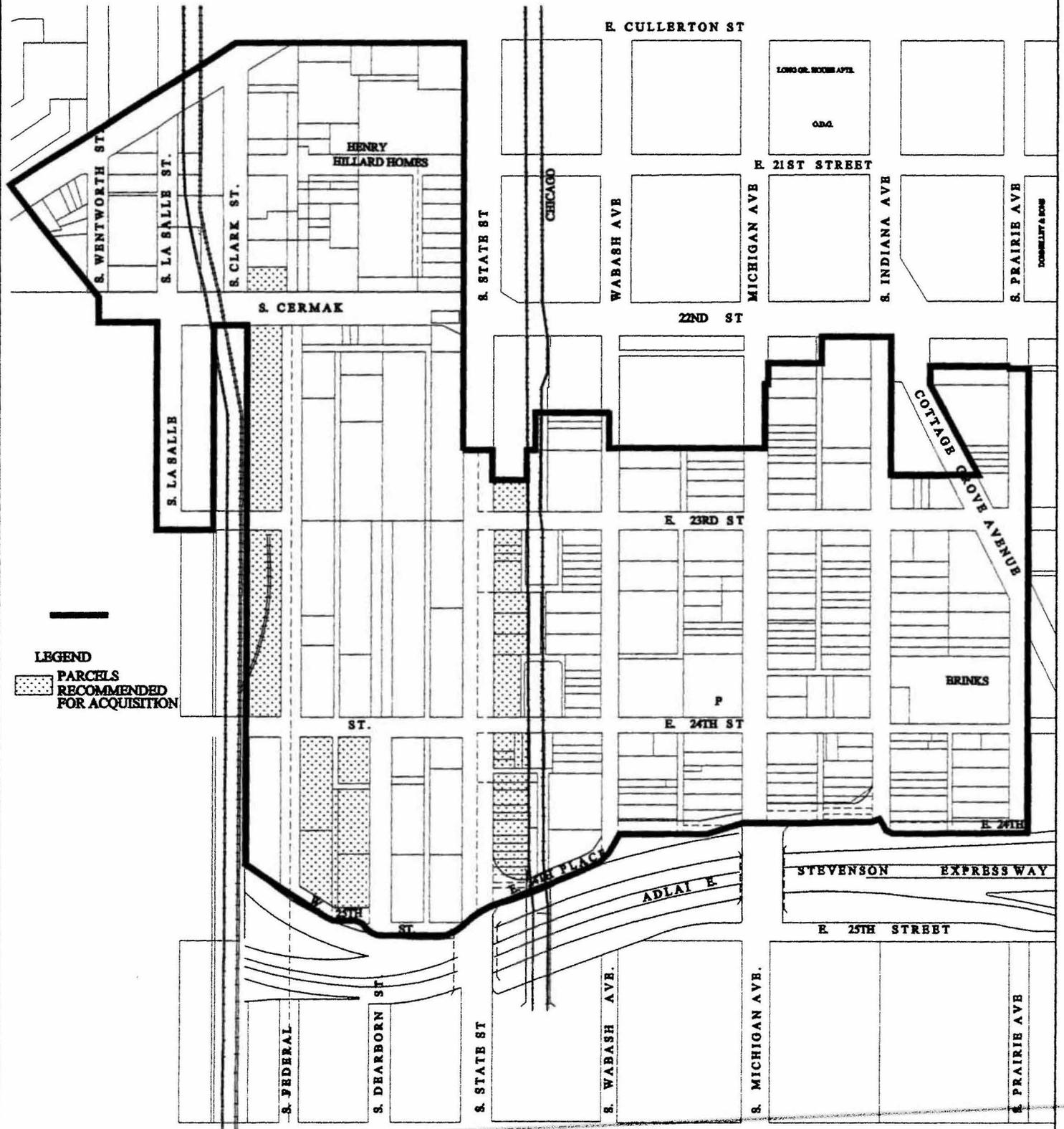
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DATE:
4/12/99



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REDEVELOPMENT PLAN: POTENTIAL REDEVELOPMENT ACQUISITION PARCELS MAP 4



LEGEND
 PARCELS RECOMMENDED FOR ACQUISITION

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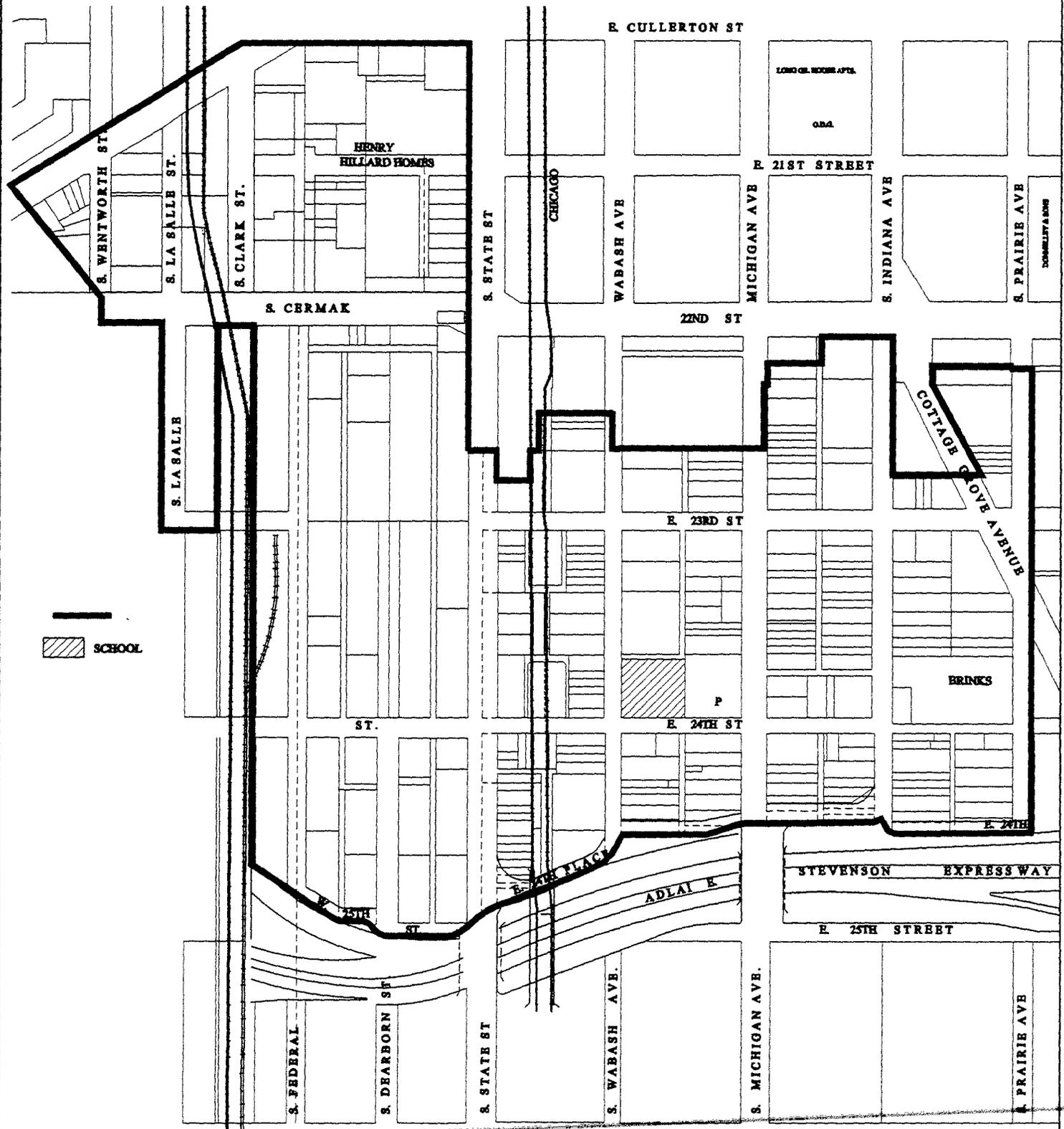
DATE:
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24th/Michigan TIF

REDEVELOPMENT PLAN: SCHOOL AND PARKS

MAP 5



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54 W. Hubbard St. Suite 210, Chicago Il 60610

Telephone: 312 828 9222 Facsimile: 312 828 9347

DATE:

4/6/99



NORTH

EXHIBIT 5 - ELIGIBILITY STUDY

CITY OF CHICAGO

24TH/MICHIGAN

TAX INCREMENT FINANCE PROGRAM

ELIGIBILITY STUDY

**CITY OF CHICAGO
RICHARD M. DALEY
MAYOR**

APRIL 1999

**PREPARED BY
LOUIK/SCHNEIDER & ASSOCIATES, INC.
ERNEST R. SAWYER ENTERPRISES, INC.
NOTAM, INC.**

ELIGIBILITY STUDY
24TH/MICHIGAN
TAX INCREMENT FINANCE PROGRAM

TABLE OF CONTENTS

I. INTRODUCTION.....	3
II. BACKGROUND INFORMATION	4
A. LOCATION.....	4
B. DESCRIPTION OF CURRENT CONDITIONS.....	4
C. EXISTING LAND USE	5
III. QUALIFICATION AS BLIGHTED AREA	6
A. ILLINOIS TAX INCREMENT ACT	6
B. SURVEY, ANALYSIS AND DISTRIBUTION OF ELIGIBILITY FACTORS	6
C. BUILDING EVALUATION PROCEDURE.....	7
D. Blighted Area Eligibility Factors.....	8
Age.....	9
Dilapidation.....	9
Obsolescence.....	9
Deterioration.....	11
Illegal use of Individual Structures.....	12
Presence of Structures Below Minimum Code Standards.....	13
Excessive Vacancies.....	13
Overcrowding of Structures and Community Facilities.....	13
Lack of Ventilation, Light or Sanitary Facilities.....	14
Inadequate Utilities.....	14
Excessive Land Coverage.....	14
Deleterious Land use or Layout	15
Depreciation of Physical Maintenance	15
Lack of Community Planning.....	16
IV. SUMMARY AND CONCLUSION	18
APPENDIX	20
EXHIBIT 1 - BUILDING PERMIT REQUESTS.....	21
EXHIBIT 2 - BUILDING CODE VIOLATIONS	22
EXHIBIT 3 - DISTRIBUTION OF CRITERIA MATRIX.....	23
EXHIBIT 4 - MATRIX OF BLIGHTED FACTORS.....	25
EXHIBIT 5 - MAP LEGEND	29

I. INTRODUCTION

Louik/Schneider and Associates, Inc. has been retained by the City of Chicago (the "City") to conduct an independent initial study and survey of the proposed redevelopment area known as the 24th/Michigan Area, Chicago, Illinois (the "Study Area"). The purpose of the study is to determine whether the 35 blocks in the Study Area qualify for designation as a "Blighted Area" for the purpose of establishing a tax increment financing district, pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the "Act"). This report summarizes the analyses and findings of the consultants' work, which is the responsibility of Louik/Schneider and Associates, Inc., and Ernest Sawyer Enterprises, Inc. Louik/Schneider & Associates, Inc. has prepared this report with the understanding that the City would rely 1) on the findings and conclusions of this report in proceeding with the designation of the Study Area as a redevelopment project area under the Act, and 2) on the fact that Louik/Schneider & Associates, Inc. has obtained the necessary information to conclude that the Study Area can be designated as a redevelopment project area in compliance with the Act.

Following this introduction, Section II presents background information of the Study Area including the area location, description of current conditions and site history. Section III explains the Building Condition Assessment and documents the qualifications of the Study Area as a Blighted Area under the Act. Section IV, Summary and Conclusions, presents the findings.

Myron D. Louik, John P. Schneider, Tricia Marino Ruffolo, Sandy Plisic and Luke Molloy of Louik/Schneider & Associates, Inc. jointly prepared this report.

II. BACKGROUND INFORMATION

A. LOCATION

The 24th/Michigan Study Area (hereafter referred to as the "Study Area") is located on the south side of the City, approximately two miles from the central business district. The Study Area is approximately 119 acres and includes 35 (full and partial) blocks. The Study Area is generally bounded by Cullerton Street on the north, the Stevenson Expressway on the south, Prairie Avenue on the east, Wentworth Avenue, and the Metra Northwest Illinois Rail Corp. on the west. The boundaries of the Study Area are shown on Map 1, *Project Boundary*.

B. DESCRIPTION OF CURRENT CONDITIONS

The Study Area consists of 35 (full and partial) blocks and 318 parcels. Much of the Study Area is in need of redevelopment, rehabilitation and revitalization and is characterized by:

- vacant parcels and vacant buildings;
- deteriorated buildings and site improvements;
- inadequate infrastructure;
- outside truck storage and;
- other deteriorating characteristics.

Additionally, a lack of growth and investment by the private sector is evidenced by 1) the lack of building permit requests for the Study Area in terms of number and dollar amounts, and 2) the overall increase of equalized assessed valuation ("EAV") of the property in the Study Area from 1993 to 1997. Specifically:

- Exhibit 1 - Building Permit Requests contains a summary of the building permit requests for new construction and major renovation in the Study Area. Building permit requests for new construction and renovation for the Study Area from 1993-1998 totaled \$642,818. Additionally, there were three demolition permits issued during the same period.
- The lack of growth and investment by the private sector is supported by the trend in the equalized assessed valuation (EAV) of all the property in the Study Area. The EAV for the City of Chicago as a whole, increased from \$28,661,954,119 in 1993 to \$35,893,677,135 in 1997, a total of 25.23% or an average of 6.31% per year. Over the last four years, from 1993 to 1997, the Study Area has experienced an overall EAV increase of 7.57%, from \$14,523,821 in 1993 to \$15,623,532 in 1997, an average increase of 1.89% per year.

It is clear from the study of this area that private investment in revitalization and redevelopment has not occurred to overcome the Blighted Area conditions that currently exist. The Study Area is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of the Redevelopment Plan and Project.

C. EXISTING LAND USE

The land uses in the Study Area are residential, commercial, industrial and institutional. The Study Area is comprised of corridors that primarily parallel the existing zoning. Each of the corridors run from Cermak Road, the northern boundary of the Study Area, to the Stevenson Expressway on the south.

- At the northwest end of the Study Area at Wentworth and Archer Avenues in the Chinatown community are a food store, a parking lot, the "L" tracks and a vacant parcel.
- Immediately east of the rail line to State Street are two Chicago Housing Authority Complexes. The Hilliard Homes are north of Cermak Road and the Ickes Homes are south. On the east side of State Street, there are six commercial buildings of which two are occupied, one is a grocery store the other is a liquor store.
- Continuing east between the "L" tracks, there are a variety of commercial businesses (Aramark, Costello Glass, Mid South Supply and Quality Truck Parts), a special education high school (the Ray Graham Training Center) and the Quinn Chapel. There are also two vacant lots.
- Along Michigan Avenue, the major businesses include City Chevrolet, Aramark, the Chicago Defender and Celebrity Ford. There are also smaller commercial users, the Clique Nightclub, a drive-through Burger King, and a parking lot. The majority of the buildings have one or two stories.
- The car dealerships continue from Michigan Avenue to Indiana Avenue. In addition, there are multi-story buildings that house additional commercial businesses.

From Indiana Avenue east to the end of the Study Area, there are eight multi-story buildings and three single-story structures. There are six parking lots and two lots used for outside truck storage. The major businesses in this section include Brinks and Morgan Services.

III. QUALIFICATION AS BLIGHTED AREA

A. ILLINOIS TAX INCREMENT ACT

The Act authorizes Illinois municipalities to redevelop locally designated deteriorated areas through tax increment financing. In order for an area to qualify as a tax increment financing district, it must first be designated as a Blighted Area, a Conservation Area (or a combination of the two), or an Industrial Park.

As set forth in the Act, a "Blighted Area" means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements are detrimental to the public safety, health morals or welfare, because of a combination of five or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance ; or lack of community planning. The Act also states that "all factors must indicate that the area on the whole has not been subject to growth and development through investments by private enterprise," and will not be developed without action by the City.

On the basis of this approach, the Study Area will be considered eligible for designation as a Blighted Area within the requirements of the Act.

B. SURVEY, ANALYSIS AND DISTRIBUTION OF ELIGIBILITY FACTORS

Ernest Sawyer Enterprises, Inc conducted exterior surveys of all 318 parcels located within the Study Area. An analysis was made of each of the Blighted Area eligibility factors contained in the Act to determine their presence in the Study Area. This exterior survey examined not only the condition and use of buildings but also included conditions of streets, sidewalks, curbs, gutters, lighting, vacant land, underutilized land, parking facilities, landscaping, fences and walls, and general maintenance. In addition, an analysis was conducted of existing site coverage and parking, land uses, zoning and their relationship to the surrounding area.

A block-by-block analysis of the 35 blocks was conducted to identify the eligibility factors (see Exhibit 3-Distribution of Criteria Matrix). Each of the factors is present to a varying degree. The following three levels are identified:

- **Not present** - indicates that either the condition did not exist or that no evidence could be found or documented during the survey or analyses.
- **Limited extent** - indicates that the condition did exist, but its distribution was only found in a small percentage of parcels and or blocks.

- **Present to a minor extent** - indicates that the condition did exist, and the condition was substantial in distribution or impact.
- **Present to a major extent** - indicates that the condition did exist and was present throughout the area (block-by-block basis) and was at a level to influence the Study Area as well as adjacent and nearby parcels of property.

C. BUILDING EVALUATION PROCEDURE

This section will identify how the buildings within the Study Area are evaluated.

HOW BUILDING COMPONENTS AND IMPROVEMENTS ARE EVALUATED

During the field survey, all components of and improvements to the subject buildings were examined to determine whether they were in sound condition or had minor, major or critical defects. These examinations were completed to determine whether conditions existed to evidence the presence of any of the following related factors: dilapidation, deterioration or depreciation of physical maintenance.

Building components and improvements examined were of two types:

PRIMARY STRUCTURAL COMPONENTS

These include the basic elements of any building or improvement including foundation walls, load bearing walls and columns, roof and roof structure.

SECONDARY COMPONENTS

These are components generally added to the primary structural components and are necessary parts of the building and improvements, including porches and steps, windows and window units, doors and door units, facades, chimneys, and gutters and downspouts.

Each primary and secondary component and improvement was evaluated separately as a basis for determining the overall condition of the building and surrounding area. This evaluation considered the relative importance of specific components within the building and the effect that deficiencies in components and improvements have on the remainder of the building.

Once the buildings are evaluated, they are classified as identified in the following section.

BUILDING COMPONENT AND IMPROVEMENT CLASSIFICATIONS

The four categories used in classifying building components and improvements and the criteria used in evaluating structural deficiencies are described as follows:

1. SOUND

Building components and improvements which contain no defects, are adequately maintained, and require no treatment outside of normal ongoing maintenance.

2. REQUIRING MINOR REPAIR -- DEPRECIATION OF PHYSICAL MAINTENANCE

Building components and improvements which contain defects (loose or missing material or holes and cracks over a limited area) which often may be corrected through the course of normal maintenance. Minor defects have no real effect on either primary or secondary components and improvements and the correction of such defects may be accomplished by the owner or occupants, such as pointing masonry joints over a limited area or replacement of less complicated components and improvements. Minor defects are not considered in rating a building as structurally substandard.

3. REQUIRING MAJOR REPAIR -- DETERIORATION

Building components and improvements which contain major defects over a widespread area and would be difficult to correct through normal maintenance. Buildings and improvements in this category would require replacement or rebuilding of components and improvements by people skilled in the building trades.

4. CRITICAL -- DILAPIDATED

Building components and improvements which contain major defects (bowing, sagging, or settling of any or all exterior components, for example) causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area so extensive that the cost of repair would be excessive.

D. BLIGHTED AREA ELIGIBILITY FACTORS

A finding may be made that the Study Area is a Blighted Area based on the fact that the area exhibits the presence of five (5) or more of the blighted area eligibility factors described above in Section III, Paragraph A. This section examines each of the Blighted Area eligibility factors.

1. AGE

Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures over a period of years. Since building deterioration and related structural problems are a function of time, temperature and moisture, structures that are 35 years or older typically exhibit more problems than more recently constructed buildings.

CONCLUSION

Age is **present to a major extent** in the Study Area. Age is present in 82 of the 92 (89.1%) buildings and in 21 of the 35 blocks in the Study Area. It is present to a major extent in 20 of the 35 blocks and present to a minor extent in 1 block. The results of the age analysis are presented in Map 3.

2. DILAPIDATION

Dilapidation refers to an advanced state of disrepair of buildings and improvements. In July of 1998, an exterior survey was conducted of all the structures and the condition of each of the buildings in the Study Area. The analysis of building dilapidation is based on the survey methodology and criteria described in the preceding section on "How Building Components and Improvements are Evaluated."

Based on exterior building surveys, it was determined that many buildings are dilapidated and exhibit major structural problems making them structurally substandard. These buildings are all in an advanced state of disrepair. Major masonry wall work is required where water and lack of maintenance have allowed buildings to incur structural damage. Cracked foundations and missing structural elements were found in particular in the back of the buildings. Since wood elements require the most maintenance of all exterior materials, these are the ones showing the greatest signs of deterioration.

CONCLUSION

Dilapidation is **present to a minor extent** in the Study Area. Dilapidation is present in 14 of the 92 (15.2%) buildings and in 4 of the 35 blocks. Dilapidation is present to a minor extent in four blocks. The results of the dilapidation analysis are presented in Map 4.

3. OBSOLESCENCE

Webster's New Collegiate Dictionary defines "obsolescence" as "being out of use; obsolete." "Obsolete" is further defined as "no longer in use; disused" or "of a type or fashion no longer current." These definitions are helpful in describing the general obsolescence of buildings or site improvements in the proposed Study Area. In making findings with respect to buildings and improvements, it is important to distinguish between *functional obsolescence* which relates to the physical utility of a structure, and *economic obsolescence* which relates to a property's ability to compete in the marketplace.

- **Functional Obsolescence**

Structures historically have been built for specific uses or purposes. The design, location, height and space arrangements are intended for a specific occupancy at a given time. Buildings and improvements become obsolete when they contain characteristics or deficiencies which limit the use and marketability of such buildings and improvements after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, the improper orientation of the building on its site, etc., which detract from the overall usefulness or desirability of a property.

- **ECONOMIC OBSOLESCENCE**

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values. Typically, buildings classified as dilapidated and buildings that contain vacant space are characterized by problem conditions which may not be economically curable, resulting in net rental losses and/or depreciation in market value.

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of obsolescence may include inadequate utility capacities, outdated designs, etc.

Obsolescence, as a factor, should be based upon the documented presence and reasonable distribution of buildings and site improvements evidencing such obsolescence.

OBSOLETE BUILDING TYPES

Obsolete buildings contain characteristics or deficiencies which limit their long-term sound use or reuse for the purpose for which they were built. Obsolescence in such buildings is typically difficult and expensive to correct. Obsolete building types have an adverse effect on nearby and surrounding developments and detract from the physical, functional and economic vitality of the area. These structures are characterized by conditions indicating the structure is incapable of efficient or economic use according to contemporary standards. They contain:

- An inefficient exterior configuration of the structure, including insufficient width and small size.
- Small size commercial parcels which are inadequate for contemporary design and development.
- Inadequate access for contemporary systems of delivery and service, including both exterior building access and interior vertical systems.

- Multi-story building with large floor plan.

The Study Area has a number of commercial properties found to be obsolete. Many of the structures throughout the Study Area are vacant and dilapidated. The configuration of many of the parcels only allow for trucks to load off of the street and/or across the sidewalk. This situation creates traffic congestion and forces pedestrians to walk in the street.

OBSOLETE PLATTING

Obsolete platting includes parcels of irregular shape, narrow or small size, and parcels improperly platted within the Study Area blocks. Many of the blocks in the Study Area have smaller and/or irregular sized parcels. These parcels are not suitable for development for modern commercial users. Examples of these parcels are found in the eastern portion of the Study Area between the east side of State Street and the west side of Wabash Avenue and between the east side of Michigan Avenue and the west side of Indiana Avenue.

OBSOLETE SITE IMPROVEMENTS

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of obsolescence may include inadequate utility capacities, outdated designs, etc.

Throughout the Study Area, there are obsolete site improvements. Internal streets and alleys are inadequate in terms of condition with deteriorated or no curbs/ gutters. The alleys between Indiana and Michigan Avenues and between Michigan and Wabash Avenues are cobblestone and in poor condition. Additionally, sidewalks and curbs along 23rd Street (except on the south side between Michigan and Wabash Avenues) and east of Michigan Avenue along 24th Street are in extremely poor condition or are non-existent.

CONCLUSION

Obsolescence is **present to a major extent** in the Study Area. Obsolescence is present in 132 of the 318 (41.5%) parcels and in 21 of the 35 blocks. It is present to a major extent in 20 of the 35 blocks and present to a minor extent in 1 block. The results of the obsolescence analysis are presented in Map 5.

4. DETERIORATION

Deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring major treatment or repair.

- Deterioration, which is not easily correctable and cannot be repaired in the course of normal maintenance may be evident in buildings. Such buildings and improvements may be classified as requiring major or many minor repairs, depending upon the degree or extent of defects. This would include buildings with defects in the

secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.) and defects in primary building components (e.g., foundations, frames, roofs, etc.) respectively.

- All buildings and site improvements classified as dilapidated are also deteriorated.

DETERIORATION OF BUILDINGS

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "How Building Components and Improvements Are Evaluated." Of the 92 buildings in the Study Area, 58 (63%) buildings are deteriorated.

The deteriorated buildings in the Study Area exhibit defects in both their primary and secondary components. For example, the primary components exhibiting defects include walls, roofs and foundations with loose or missing materials (mortar, shingles), and holes and/or cracks in these components. The defects of secondary components include damage to windows, doors, stairs and/or porches; missing or cracked tuckpointing and/or masonry on the facade, chimneys, and surfaces; missing parapets, gutters and/or downspouts; foundation cracks or settling; and other missing structural components.

Deteriorated structures exist throughout the Study Area due to the combination of their age and advanced state of disrepair. The need for masonry repairs and tuckpointing is predominant, closely followed by deteriorating doors, facades, and secondary elements in the buildings. The entire Study Area contains deteriorated buildings and most of the parcels with buildings are impacted by such deterioration.

DETERIORATION OF PARKING AND SURFACE AREAS

Field surveys were also conducted to identify the condition of parcels without structures, of which 10 of the 318 (3.1%) parcels with no buildings were classified as deteriorated. These parcels are characterized by uneven surfaces with insufficient gravel, vegetation growing through the parking surface, depressions and standing water, absence of curbs or guardrails, falling or broken fences and extensive debris.

CONCLUSION

Deterioration is **present to a major extent** in the Study Area. Deterioration is present in 58 of the 92 (63%) buildings, in 93 of the 318 (29.2%) parcels and in 15 of the 35 blocks. It is found to be present to a major extent in 14 of the 35 blocks and present to a minor extent in one block. The results of the deterioration analysis are presented in Map 6.

5. ILLEGAL USE OF INDIVIDUAL STRUCTURES

Illegal use of individual structures refers to the presence of uses or activities which are not permitted by law.

CONCLUSION

A review of the Chicago Zoning Ordinance indicates that there are no illegal uses of the structures or improvements in the Study Area.

6. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS

Structures below minimum code standards include all structures which do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property. The principal purposes of such codes are; 1) to require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy; 2) to make buildings safe for occupancy against fire and similar hazards; and 3) to establish minimum standards essential for safe and sanitary habitation.

From January 1992 through July 1998, 52 of the 92 (56.5%) buildings have been cited for building code violations by the City Department of Buildings (see - Exhibit 2 - Building Code Violations).

CONCLUSION

Structures below minimum code standards are **present to a minor extent**. Structures below minimum code standards have been identified in 3 of the 92 (3.3%) buildings for 1998. Over the last seven years, 52 of the 92 (56.5%) buildings in the Study Area have been cited for building code violations.

7. EXCESSIVE VACANCIES

Excessive vacancy refers to buildings which are unoccupied or underutilized and exert an adverse influence on the area because of the frequency, duration or extent of vacancy. Excessive vacancies include improved properties which evidence no apparent effort directed toward their occupancy or underutilization. Excessive vacancies occur in varying degrees throughout the Study Area. A building is considered to have excessive vacancies if at least 50% of the building is vacant or underutilized. There are vacancies in residential and commercial buildings. 18 of the 92 (19.6%) buildings in the Study Area are vacant or partially vacant (over 50%).

CONCLUSION

Excessive vacancies are **present to a minor extent** in the Study Area. Excessive vacancies can be found in 18 of the 92 (19.6%) buildings and 10 of the 35 blocks. Excessive vacancies are present to a major extent in 5 of the 35 blocks and to a minor extent in 5 blocks. The results of the excessive vacancies analysis are presented in Map 7.

8. OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES

~~Overcrowding of structures and community facilities~~ refers to utilization of public or private buildings, facilities, or properties beyond their reasonable or legally permitted capacity. Over-

crowding is frequently found in buildings and improvements originally designed for a specific use and later converted to accommodate a more intensive use of activities without adequate provision for minimum floor area requirements, privacy, ingress and egress, loading and services, capacity of building systems, etc.

CONCLUSION

Based on exterior surveys and analyses undertaken within the Study Area, there is no evidence of overcrowding of structures and community facilities.

9. LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES

Lack of ventilation, light or sanitary facilities refers to substandard conditions which adversely affect the health and welfare of building occupants, e.g., residents, employees or visitors. Typical requirements for ventilation, light and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows, e.g., bathrooms, and dust, odor or smoke-producing activity areas;
- Adequate natural light and ventilation by means of skylights or windows or interior rooms/spaces, and proper window sizes and adequate room-area to window-area ratios;
- Adequate sanitary facilities, e.g., garbage storage/enclosure, bathroom facilities, hot water, and kitchens.

CONCLUSION

Based on the exterior surveys and analyses undertaken within the Study Area, lack of ventilation, light or sanitary facilities was not found.

10. INADEQUATE UTILITIES

Inadequate utilities refer to deficiencies in the capacity or condition of the infrastructure which services a property or area, including, but not limited to, storm drainage, water supply, electrical power, streets, sanitary sewers, gas and electricity.

CONCLUSION

Based on the exterior surveys and analyses undertaken, inadequate utilities were not found in the Study Area.

11. EXCESSIVE LAND COVERAGE

Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety. The resulting inadequate

conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service. Excessive land coverage conditions have an adverse or blighting effect on nearby development.

Excessive land coverage occurs in 56 of the 92 (61%) buildings in the Study Area. Along Michigan Avenue primarily on the east side, the majority of the commercial buildings have been built from property line to property line, leaving no area for parking, open space or other amenities. These buildings cover virtually the entire parcel, leaving an inadequate amount of space for off-street loading of residents, employees and/or customers.

CONCLUSION

Excessive land coverage is **present to a major extent** in the Study Area. Excessive land coverage is present in 56 of the 92 (61%) buildings and in 81 of the 318 (25.5%) parcels and in 16 of the 35 blocks. It can be found to a major extent in 14 blocks and to a minor extent in 2 blocks. The results of the excessive land coverage analysis are presented in Map 8.

12. DELETERIOUS LAND USE OR LAYOUT

Deleterious land uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed uses, or uses which may be considered noxious, offensive or environmentally unsuitable. It also includes residential uses, which front on or are located near heavily traveled streets, thus causing susceptibility to noise, fumes and glare. Deleterious layout includes evidence of improper or obsolete platting of land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of poor layout of buildings on parcels and in relation to other buildings.

In the Study Area, deleterious land use or layout is identified in 107 of the 318 (33.6%) parcels, including the 61% parcels discussed in item 11 above, exhibiting excessive land coverage with insufficient room for parking and/or loading.

CONCLUSION

Deleterious land use and layout is **present to a major extent** in the Study Area. Deleterious land use and layout is present in 107 of the 318 (33.6%) parcels and in 19 of the 35 blocks. Deleterious land use and layout is present to a major extent in 14 blocks and to a minor extent in 5 blocks. The results of the deleterious land use and layout analysis are presented in Map 9.

13. DEPRECIATION OF PHYSICAL MAINTENANCE

Depreciation of physical maintenance refers to the effects of deferred maintenance and the lack of maintenance of buildings, parking areas and public improvements, including alleys, walks, streets and utility structures. The analysis of depreciation of physical maintenance is based on

survey methodology and criteria described in the preceding section "How Building Components and Improvements Are Evaluated."

The entire Study Area is affected by lack of physical maintenance. Of the 318 parcels in the Study Area, 249 (78.3%) parcels, representing buildings, parking/storage areas and vacant land, evidence the presence of this factor.

The majority of the buildings that evidence depreciation of physical maintenance exhibit problems including unpainted or unfinished surfaces, peeling paint, loose or missing materials, broken windows, loose or missing gutters or downspouts, loose or missing shingles, overgrown vegetation and general lack of maintenance, etc. There are 80 of the 92 (87%) buildings in the Study Area that are affected by depreciation of physical maintenance. Accumulation of trash and debris, broken fences as well as overgrown vegetation are commonplace examples of the depreciation that exists in the vacant and parking lots throughout the Redevelopment Project Area.

CONCLUSION

Depreciation of physical maintenance is ***present to a major extent*** in the Study Area. Depreciation of physical maintenance is present in 80 of the 92 (87%) buildings, 253 of the 318 (80%) parcels and in 34 of the 35 blocks. Depreciation of physical maintenance is present to a major extent in all 34 blocks. The results of the depreciation of physical maintenance analysis are presented in Map 10.

14. LACK OF COMMUNITY PLANNING

Lack of community planning may be a factor if the proposed redevelopment area was developed prior to or without the benefit of a community plan. This finding may be amplified by other evidence which shows the deleterious results of the lack of community planning, including adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, and parcels of inadequate size or shape to meet contemporary development standards.

The following studies address community plans for the Study Area:

- *Attracting Business in the 21st Century, Metropolitan Pier and Exposition Authority Managing McCormick Place and Navy Pier*
- *Mid-South Strategic Development Plan*
- *The Near South: A Blueprint for Redevelopment, January 1992*
- *Planning Principles for Chicago's Central Area*
- *Report on McCormick Place Expansion, June 1990*

Therefore, lack of community planning was not found to be present in the Study Area.

CONCLUSION

Lack of community planning is not present in the Study Area.

IV. SUMMARY AND CONCLUSION

The conclusion of the consultant team is that the number, degree and distribution of Blighted Area eligibility factors as documented in this report warrant the designation of the Study Area as a Blighted Area as set forth in the Act. Specifically:

- Of the 14 eligibility factors for a Blighted Area set forth in the Act, six are present to a major extent and there are three present to a minor extent in the Study Area and only five are necessary for designation as a Blighted Area.
- The Blighted Area eligibility factors, which are present, are reasonably distributed throughout the Study Area.

The eligibility findings indicate that the Study Area contains factors, which qualify it as a Blighted Area in need of revitalization and that designation, as a redevelopment project area will contribute to the long-term well being of the City. The distribution of blighted area eligibility factors throughout the Study Area must be reasonable so that a basically good area is not arbitrarily found to be a Blighted Area simply because of its proximity to an area with blighted area eligibility factors.

Additional research indicates that the Study Area on the whole has not been subject to growth and development as a result of investments by private enterprise, and will not be developed without action by the City. Specifically:

- Exhibit 1 - Building Permit Requests, contains a summary of the building permit requests for new construction and major renovation from the City of Chicago. There were seven building permit requests for new construction and renovation totaling \$642,818. Additionally, there were 3 demolition permits issued during the same period.
- The lack of growth and investment by the private sector is supported by the trend in the equalized assessed valuation (EAV) of all the property in the Study Area. The EAV for the City of Chicago, increased from \$28,661,954,119 in 1993 to \$35,893,677,135 in 1997, a total of 25.23% or an average of 6.31% per year. Over the last four years, from 1993 to 1997, the Study Area has experienced an overall EAV increase of 7.57% from \$14,523,821 in 1993 to \$15,623,532 in 1997, an average increase of 1.89% per year.

The conclusions presented in this report are those of the consulting team. The local governing body should review this report and, if satisfied with the summary of findings contained herein, adopt a resolution that the Study Area qualifies as a Blighted Area and make this report a part of the public record. The analysis above was based upon data assembled by Louik/Schneider & Associates, Inc. The surveys, research and analysis conducted include:

1. Exterior surveys of the conditions and use of the Study Area;
2. Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Comparison of current land uses to current zoning ordinance and the current zoning maps;
4. Historical analysis of site uses and users;
5. Analysis of original and current platting and building size layout;
6. Review of previously prepared plans, studies and data;
7. Analysis of building permits from July 1993 - July 1998 and building code violations from July 1993 - July 1998 requested from the Department of Buildings for all parcels in the Study Area; and
8. Evaluation of the EAV's in the Study Area from 1993 to 1997.

The study and survey of the Study Area indicate that requirements necessary for designation as a Blighted Area are present.

Therefore, the Study Area is qualified as a Blighted Area to be designated as a redevelopment project area and eligible for Tax Increment Financing under the Act (see Exhibit 4 - Matrix of Blighted Factors).

APPENDIX

EXHIBIT 1 - BUILDING PERMIT REQUESTS

NEW CONSTRUCTION/INVESTMENT PERMITS

	Permit #	Date	Address	Investment
1.	843075	3/24/97	60 E. 23rd Street	\$12,000
2.	778967	12/1/93	234 E. 24th Street	\$39,300
3.	779910	12/22/93	44 W. 24th Street	\$117,854
4.	812549	10/6/95	2419 S. Indiana Avenue	\$50,000
5.	777896	11/4/93	2328 S. Michigan Avenue	\$11,000
6.	797121	12/2/94	2420 S. Prairie Avenue	\$300,000
7.	772242	7/16/93	2350 S. State Street	\$112,664
			TOTAL (7 permits)	\$642,818

DEMOLITION PERMITS

Permit #	Date	Address	Amount
846670	05/15/98	234 E. 23rd Street	\$18,300
816184	12/14/95	53 W. 24th Street	\$0
96000799	02/21/96	2406 S. Indiana Avenue	\$0
		Total (3 permits)	\$18,300

EXHIBIT 2 – BUILDING CODE VIOLATIONS

- | | |
|-----------------------------|---------------------------|
| 1. 30 W. Cermak Road | 28. 2250 S. State Street |
| 2. 47 W. Cermak Road | 29. 2259 S. State Street |
| 3. 2031 S. Clark Street | 30. 2310 S. State Street |
| 4. 2111 S. Clark Street | 31. 2320 S. State Street |
| 5. 2233 S. Federal Street | 32. 2330 S. State Street |
| 6. 2323 S. Federal Street | 33. 2350 S. State Street |
| 7. 2300 S. Indiana Avenue | 34. 2420 S. State Street |
| 8. 2326 S. Indiana Avenue | 35. 2430 S. State Street |
| 9. 2338 S. Indiana Avenue | 36. 2441 S. State Street |
| 10. 2400 S. Indiana Avenue | 37. 2450 S. State Street |
| 11. 2301 S. Michigan Avenue | 38. 2232 S. Wabash Avenue |
| 12. 2309 S. Michigan Avenue | 39. 2241 S. Wabash Avenue |
| 13. 2315 S. Michigan Avenue | 40. 2247 S. Wabash Avenue |
| 14. 2318 S. Michigan Avenue | 41. 2311 S. Wabash Avenue |
| 15. 2325 S. Michigan Avenue | 42. 2334 S. Wabash Avenue |
| 16. 2328 S. Michigan Avenue | 43. 2347 S. Wabash Avenue |
| 17. 2334 S. Michigan Avenue | 44. 2401 S. Wabash Avenue |
| 18. 2335 S. Michigan Avenue | 45. 2417 S. Wabash Avenue |
| 19. 2337 S. Michigan Avenue | 46. 15 E. 23rd Street |
| 20. 2347 S. Michigan Avenue | 47. 60 E. 23rd Street |
| 21. 2400 S. Michigan Avenue | 48. 9 E. 24th Street |
| 22. 2412 S. Michigan Avenue | 49. 18 E. 24th Street |
| 23. 2415 S. Michigan Avenue | 50. 57 E. 24th Street |
| 24. 2416 S. Michigan Avenue | 51. 43 W. 24th Street |
| 25. 2420 S. Michigan Avenue | 52. 44 W. 24th Street |
| 26. 2030 S. State Street | |
| 27. 2222 S. State Street | |

Total: 52

EXHIBIT 3 - DISTRIBUTION OF CRITERIA MATRIX

BLOCK	1	2	3	4	5	6	7	8	9	10	11	12	13	14
17 21 204													X	
17 21 416													X	
17 21 417													X	
17 21 418	X		X	X			X				X		X	
17 21 419	X		X	X			X				X		X	
17 21 420			X	X							X	X	X	
17 21 421													X	
17 21 422			X									X	X	
17 21 423													X	
17 21 424	X		X	X			X				X	X	X	
17 21 425	P		P				P				P	P	X	
17 21 505														
17 27 100	X	P	X	X					X		X	X	X	
17 27 101	X		X	X							X	P	X	
17 27 102	X	P	X	X			P				X	X	X	
17 27 103													X	
17 27 104	X		X	X							X	X	X	
17 27 108	X		X	X			P				X	X	X	
17 27 109	X		X	P							X	P	X	
17 27 110	X	P	X	X			X				X	X	X	

Key

- X Present to a Major Extent
- P Present
- Not Present

Criteria

- 1 AGE
- 2 DILAPIDATION
- 3 OBSOLESCENCE
- 4 DETERIORATION
- 5 ILLEGAL USE OF INDIVIDUAL STRUCTURES
- 6 PRESENCE OF STRUCTURES BELOW MINIMUM CODE
- 7 EXCESSIVE VACANCIES
- 8 OVERCROWDING
- 9 LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES
- 10 INADEQUATE UTILITIES
- 11 EXCESSIVE LAND COVERAGE
- 12 DELETERIOUS LAND USE OR LAYOUT
- 13 DEPRECIATION OF PHYSICAL MAINTENANCE
- 14 LACK OF COMMUNITY PLANNING

EXHIBIT 3 - DISTRIBUTION OF CRITERIA MATRIX (CONT. PAGE 2)

BLOCK	1	2	3	4	5	6	7	8	9	10	11	12	13	14
17 27 111	X		X	X			P				X	X	X	
17 27 115	X		X	X			P		P		P	X	X	
17 27 116	X		X	X			X				X	X	X	
17 27 117	X		X	X							X	X	X	
17 27 118	X	P	X									P	X	
17 27 500													X	
17 28 205													X	
17 28 206	X												X	
17 28 207	X												X	
17 28 216			X									X	X	
17 28 217	X											P	X	
17 28 218	X												X	
17 28 225			X										X	
17 28 226			X									X	X	
17 28 227	X												X	

Key

X Present to a Major Extent
P Present
Not Present

Criteria

1 AGE
2 DILAPIDATION
3 OBSOLESCENCE
4 DETERIORATION
5 ILLEGAL USE OF INDIVIDUAL STRUCTURES
6 PRESENCE OF STRUCTURES BELOW MINIMUM CODE
7 EXCESSIVE VACANCIES

8 OVERCROWDING
9 LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES
10 INADEQUATE UTILITIES
11 EXCESSIVE LAND COVERAGE
12 DELETERIOUS LAND USE OR LAYOUT
13 DEPRECIATION OF PHYSICAL MAINTENANCE
14 LACK OF COMMUNITY PLANNING

EXHIBIT 4 - MATRIX OF BLIGHTED FACTORS

A. Block Number	17 21 204	17 21 416	17 21 417	17 21 418	17 21 419	17 21 420	17 21 421	17 21 422
B. Number of Buildings	1	0	0	1	1	1	0	0
C. Number of Parcels	1	1	4	5	4	5	3	2
1. Number of buildings 35 years or older	0	0	0	1	1	0	0	0
2. A. Number of buildings showing decline of physical maintenance	0	0	0	1	1	1	0	0
2. B. Number of parcels exhibiting decline of physical maintenance	1	1	4	5	4	5	3	2
3. A. Number of deteriorated buildings	0	0	0	1	1	1	0	0
3. B. Number of parcels that are deteriorated	0	0	0	4	2	1	0	0
4. Number of dilapidated buildings	0	0	0	0	0	0	0	0
5. A. Number of obsolete buildings	0	0	0	1	0	1	0	0
5. B. Number of parcels that are obsolete	0	0	0	4	1	1	0	2
6. Number of buildings below minimum code	0	0	1	0	1	0	0	0
7. Number of buildings lacking ventilation, light, or sanitation facilities	0	0	0	0	0	0	0	0
8. Number of buildings with illegal uses	0	0	0	0	0	0	0	0
9. Number of buildings with excessive vacancies	0	0	0	1	0	0	0	0
10. Total number of eligibility factors represented in block	1	1	1	6	6	5	1	3

MATRIX OF BLIGHTED FACTORS
(CONTINUED PAGE 2)

A. Block Number	17 21 423	17 21 424	17 21 425	17 21 505	17 27 100	17 27 101	17 27 102	17 27 103	17 27 104
B. Number of Buildings	1	1	0	0	2	6	9	0	1
C. Number of Parcels	3	9	10	4	5	7	13	4	7
1. Number of buildings 35 years or older	0	1	0	0	2	5	9	0	1
2. A. Number of buildings showing decline of physical maintenance	1	1	0	0	2	5	8	0	1
2. B. Number of parcels exhibiting decline of physical maintenance	3	9	10	0	5	6	9	4	7
3. A. Number of deteriorated buildings	0	1	0	0	2	4	8	0	1
3. B. Number of parcels that are deteriorated	0	5	1	0	2	4	10	0	5
4. Number of dilapidated buildings	0	0	0	0	1	0	3	0	0
5. A. Number of obsolete buildings	0	1	0	0	2	6	8	0	1
5. B. Number of parcels that are obsolete	0	5	1	0	2	7	10	0	4
6. Number of buildings below minimum code	1	0	1	0	2	3	0	0	0
7. Number of buildings lacking ventilation, light, or sanitation facilities	0	0	0	0	1	1	1	0	0
8. Number of buildings with illegal uses	0	0	0	0	0	0	0	0	0
9. Number of buildings with excessive vacancies	0	1	0	0	0	0	2	0	0
10. Total number of eligibility factors represented in block	1	7	6	0	8	6	8	6	6

MATRIX OF BLIGHTED FACTORS
(CONTINUED PAGE 3)

A. Block Number	17 27 108	17 27 109	17 27 110	17 27 111	17 27 115	17 27 116	17 27 117	17 27 118	17 27 500
B. Number of Buildings	7	4	19	4	5	8	5	3	0
C. Number of Parcels	26	16	29	16	26	17	21	17	10
1. Number of buildings 35 years or older	7	3	18	3	5	7	5	2	0
2. A. Number of buildings showing decline of physical maintenance	6	2	18	2	5	6	5	3	0
2. B. Number of parcels exhibiting decline of physical maintenance	17	6	27	13	23	10	14	15	10
3. A. Number of deteriorated buildings	7	1	13	2	4	4	5	2	0
3. B. Number of parcels that are deteriorated	7	3	14	11	7	6	6	4	0
4. Number of dilapidated buildings	0	0	4	0	0	0	1	1	0
5. A. Number of obsolete buildings	7	2	15	2	4	6	5	2	0
5. B. Number of parcels that are obsolete	7	6	23	9	7	10	8	4	0
6. Number of buildings below minimum code	5	5	13	0	2	7	2	0	0
7. Number of buildings lacking ventilation, light, or sanitation facilities	1	0	0	0	3	0	0	0	0
8. Number of buildings with illegal uses	0	0	0	0	0	0	0	0	0
9. Number of buildings with excessive vacancies	3	0	3	1	2	3	0	1	0
10. Total number of eligibility factors represented in block	7	6	8	7	8	7	6	5	1

MATRIX OF BLIGHTED FACTORS
(CONTINUED PAGE 4)

A. Block Number	17 28 205	17 28 206	17 28 207	17 28 216	17 28 217	17 28 218	17 28 225	17 28 226	17 28 227
B. Number of Buildings	0	2	2	0	3	3	0	0	3
C. Number of Parcels	1	9	5	1	4	3	1	7	7
1. Number of buildings 35 years or older	0	1	2	0	3	3	0	0	3
2. A. Number of buildings showing decline of physical maintenance	0	2	2	0	2	3	0	0	3
2. B. Number of parcels exhibiting decline of physical maintenance	1	9	4	1	3	3	1	7	7
3. A. Number of deteriorated buildings	0	0	0	0	1	0	0	0	0
3. B. Number of parcels that are deteriorated	0	0	0	0	1	0	0	0	0
4. Number of dilapidated buildings	0	0	0	0	0	0	0	0	0
5. A. Number of obsolete buildings	0	0	0	0	1	0	0	0	0
5. B. Number of parcels that are obsolete	0	0	0	1	1	0	1	7	0
6. Number of buildings below minimum code	0	1	4	0	1	5	0	1	4
7. Number of buildings lacking ventilation, light, or sanitation facilities	0	0	0	0	0	0	0	0	0
8. Number of buildings with illegal uses	0	0	0	0	0	0	0	0	0
9. Number of buildings with excessive vacancies	0	0	0	0	0	0	0	0	0
10. Total number of eligibility factors represented in block	1	2	2	3	3	2	2	3	2

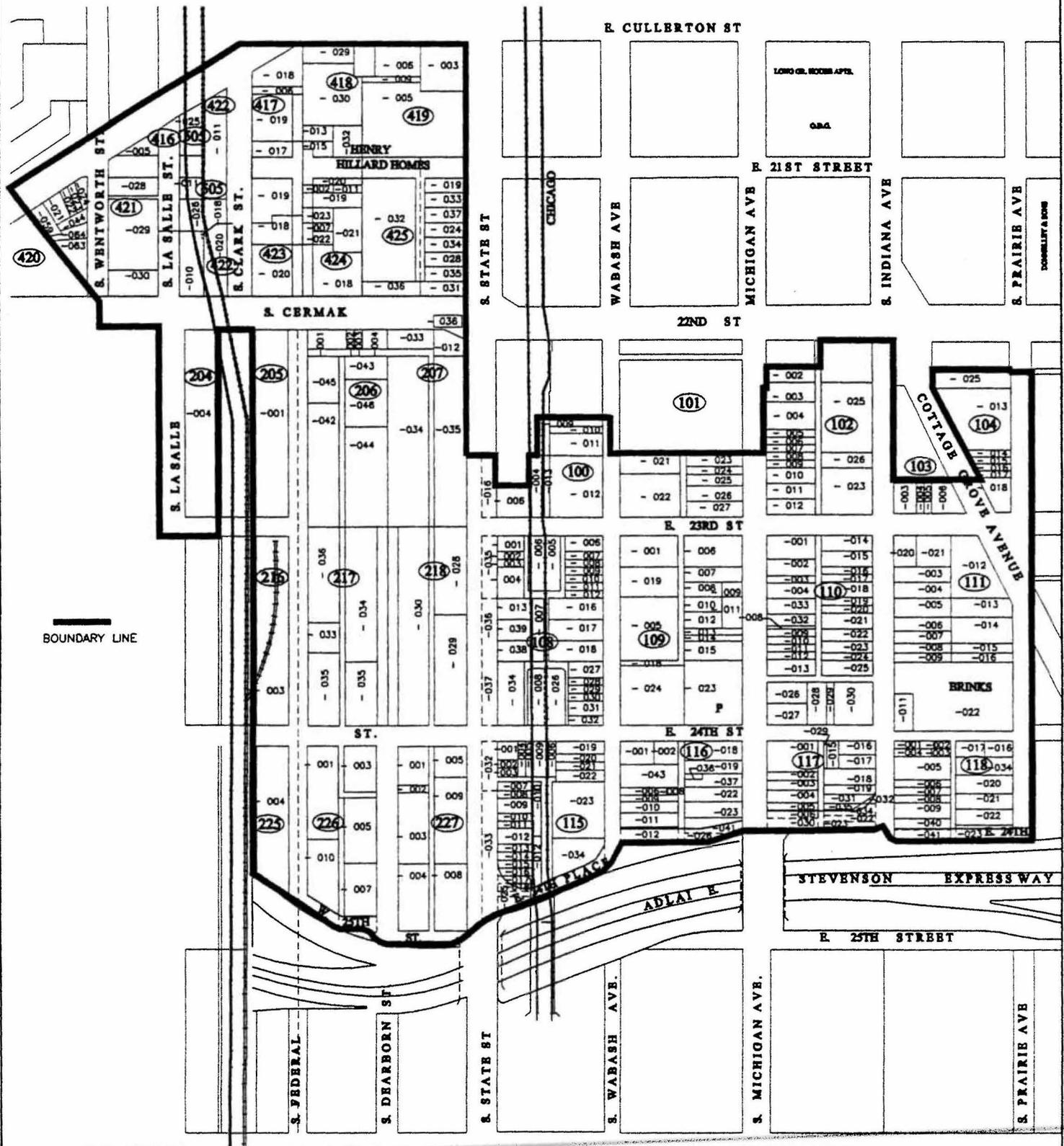
EXHIBIT 5 - MAP LEGEND

- MAP 1 PROJECT BOUNDARY
- MAP 2 EXISTING LAND USE
- MAP 3 AGE
- MAP 4 DILAPIDATION
- MAP 5 OBSOLESCENCE
- MAP 6 DETERIORATION
- MAP 7 EXCESSIVE VACANCIES
- MAP 8 EXCESSIVE LAND COVERAGE
- MAP 9 DELETERIOUS LAND USE/LAYOUT
- MAP 10 DEPRECIATION OF PHYSICAL MAINTENANCE

24th/Michigan TIF

BOUNDARY MAP

MAP 1




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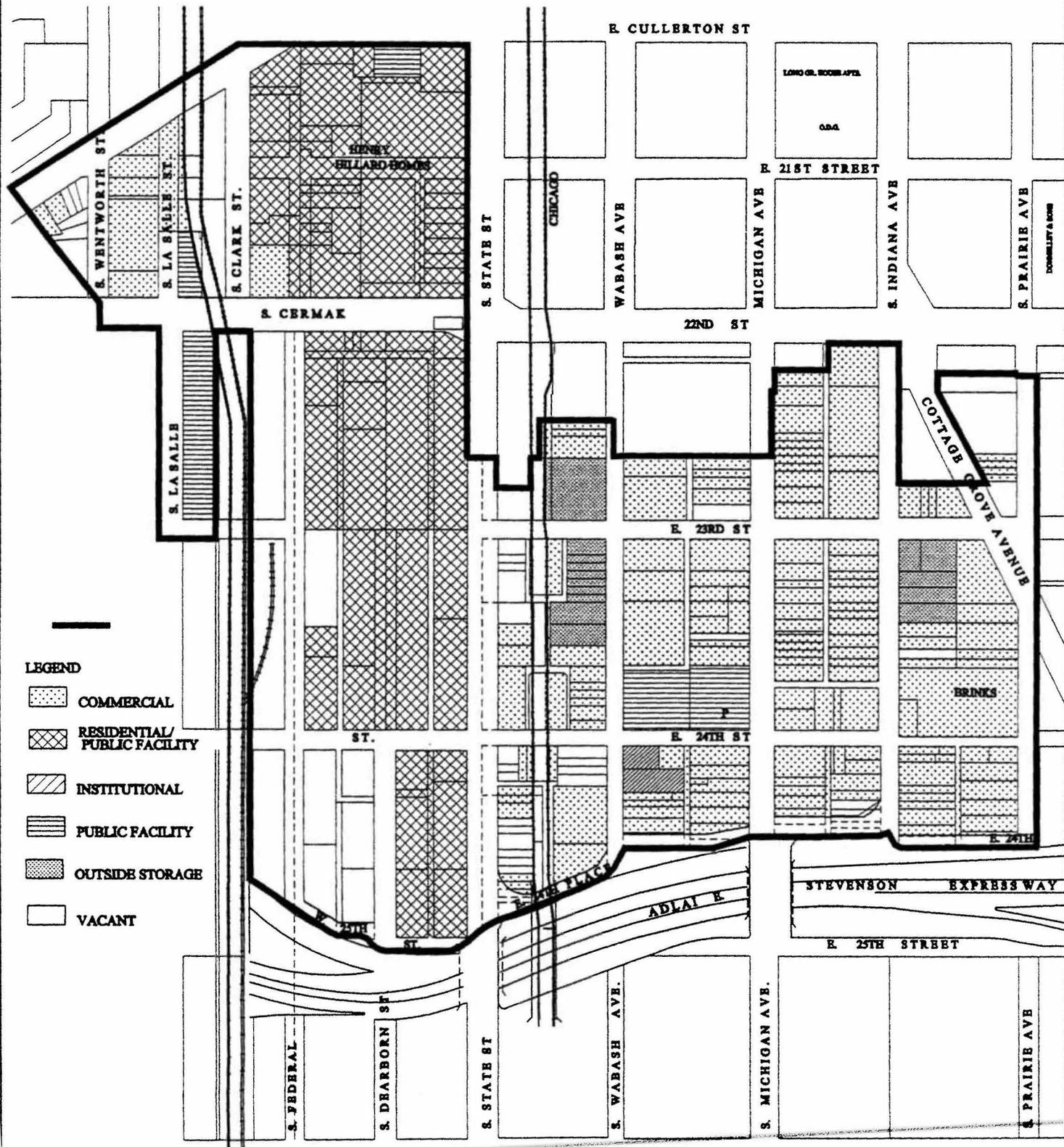
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EXISTING LAND USE MAP

MAP 2



LEGEND

-  COMMERCIAL
-  RESIDENTIAL/
PUBLIC FACILITY
-  INSTITUTIONAL
-  PUBLIC FACILITY
-  OUTSIDE STORAGE
-  VACANT

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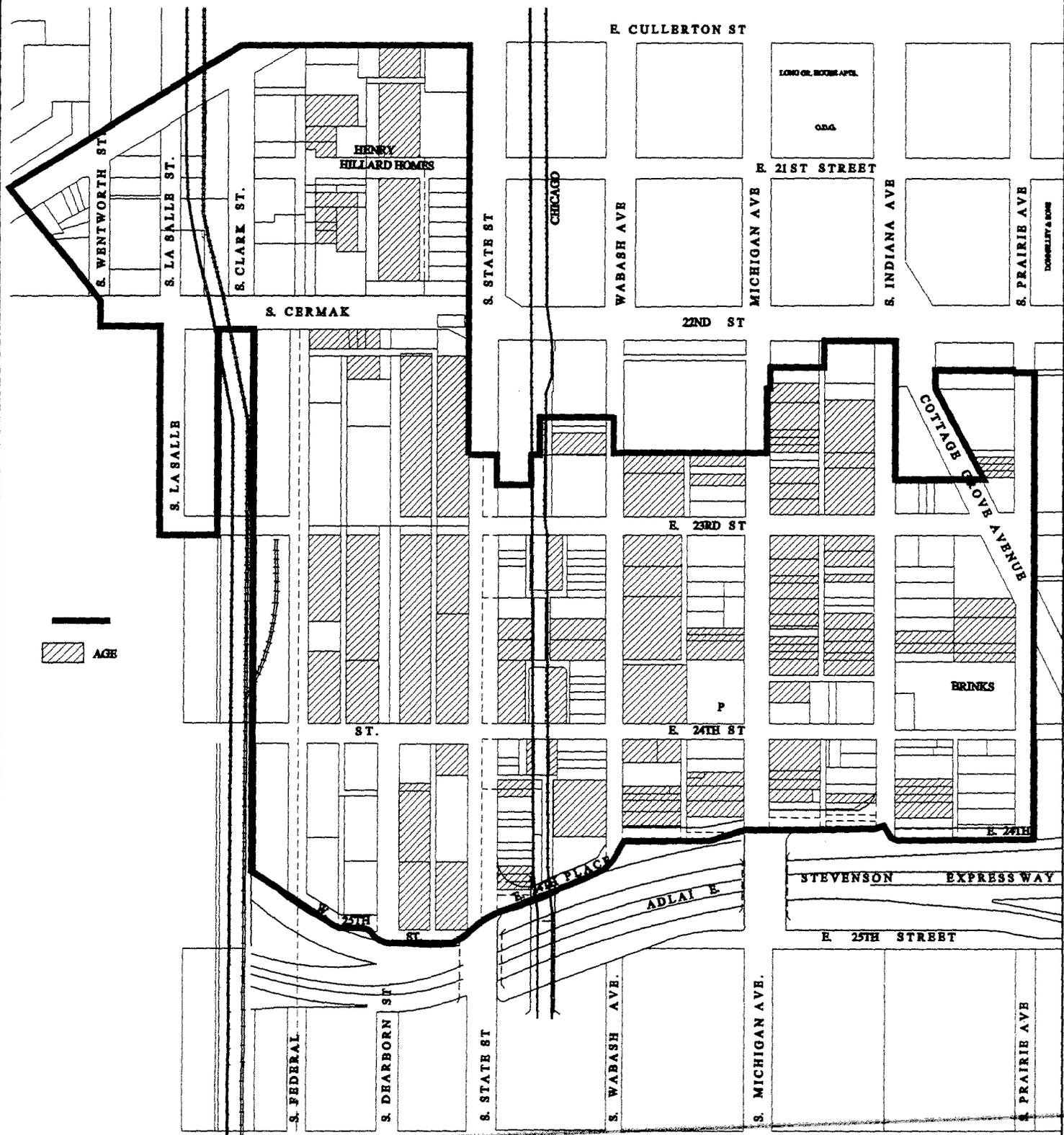
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 ELIGIBILITY STUDY : AGE

MAP 3



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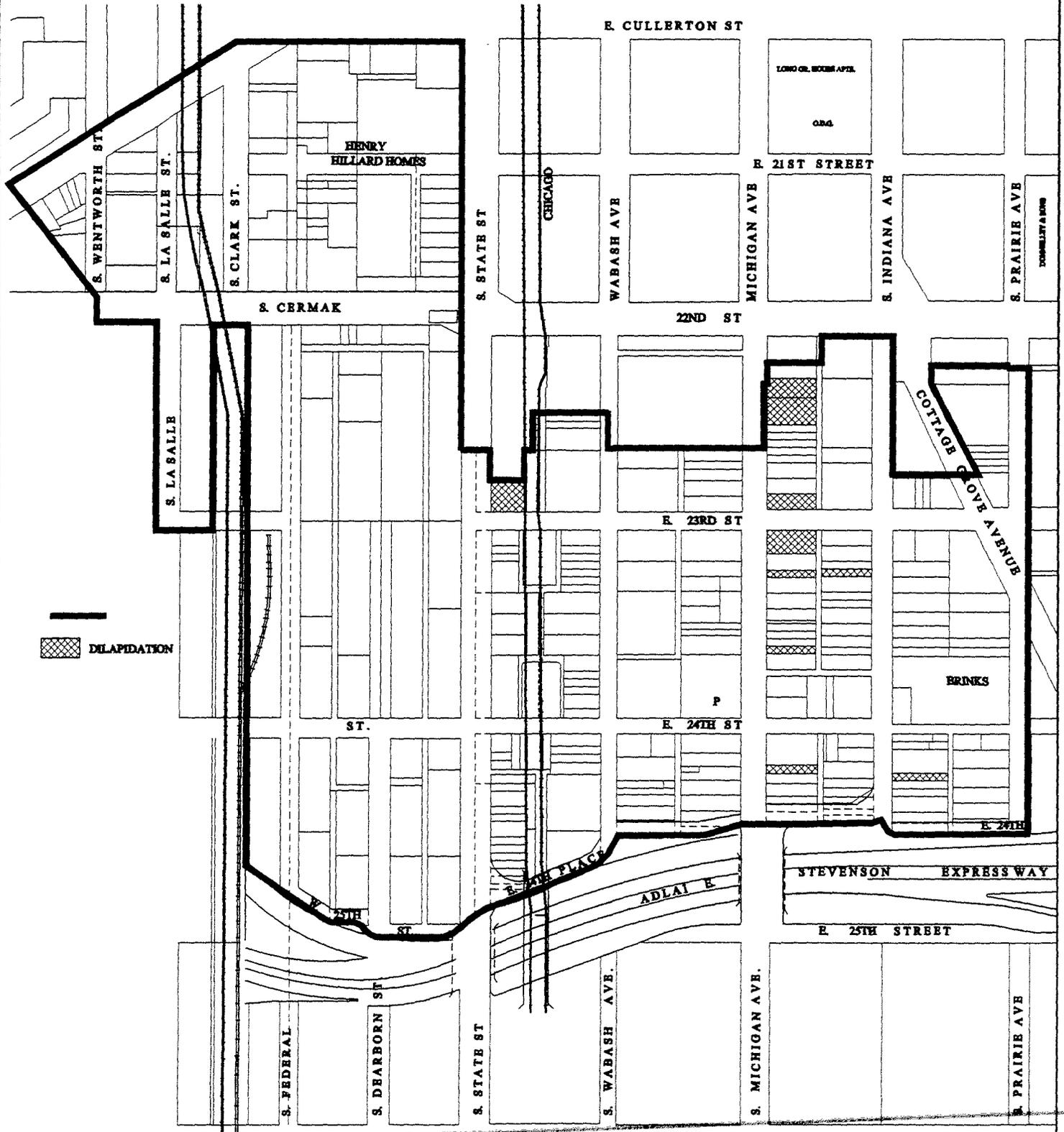
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 ELIGIBILITY STUDY DILAPIDATION

MAP 4



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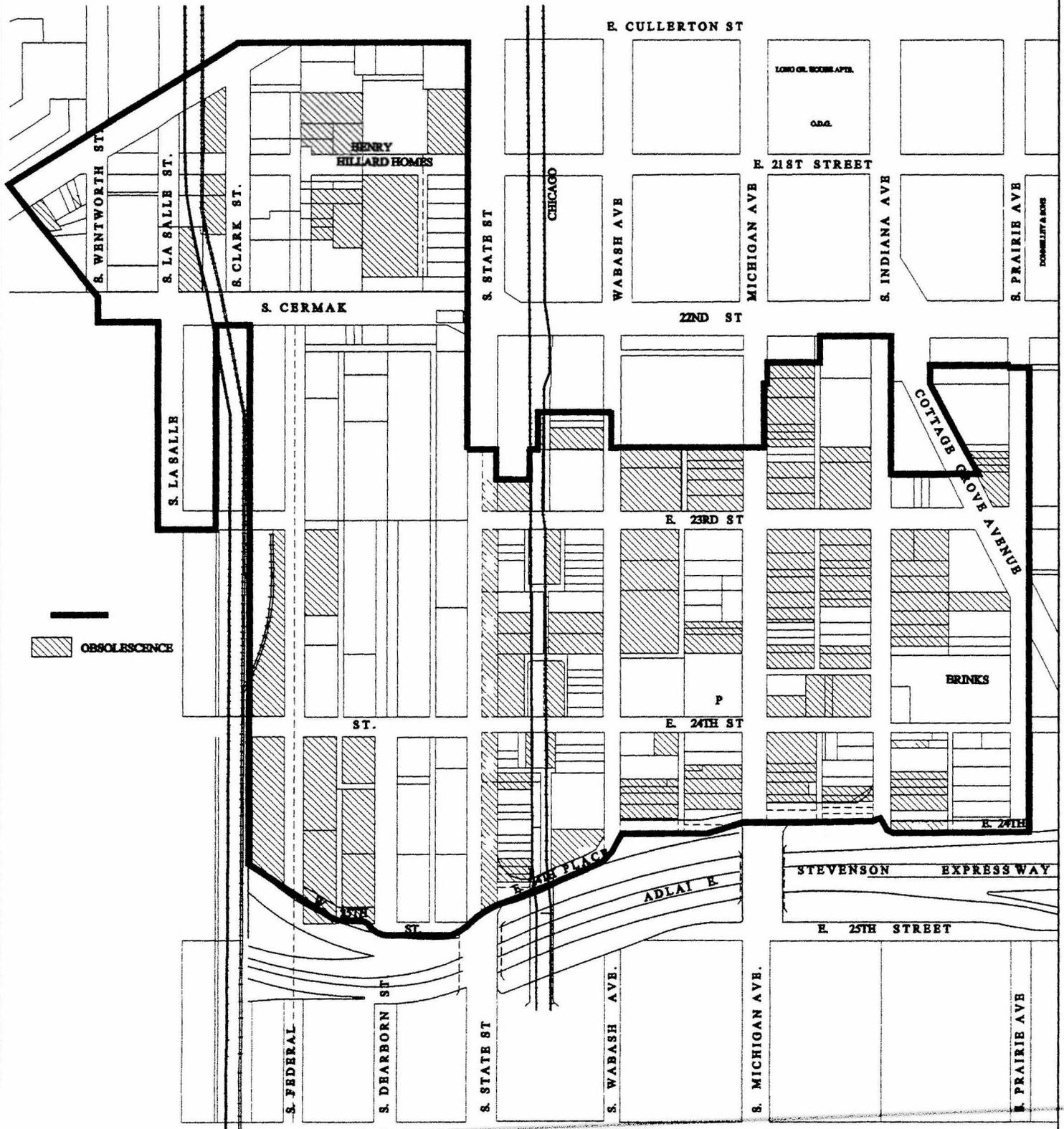
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 ELIGIBILITY STUDY OBSOLESCENCE

MAP 5



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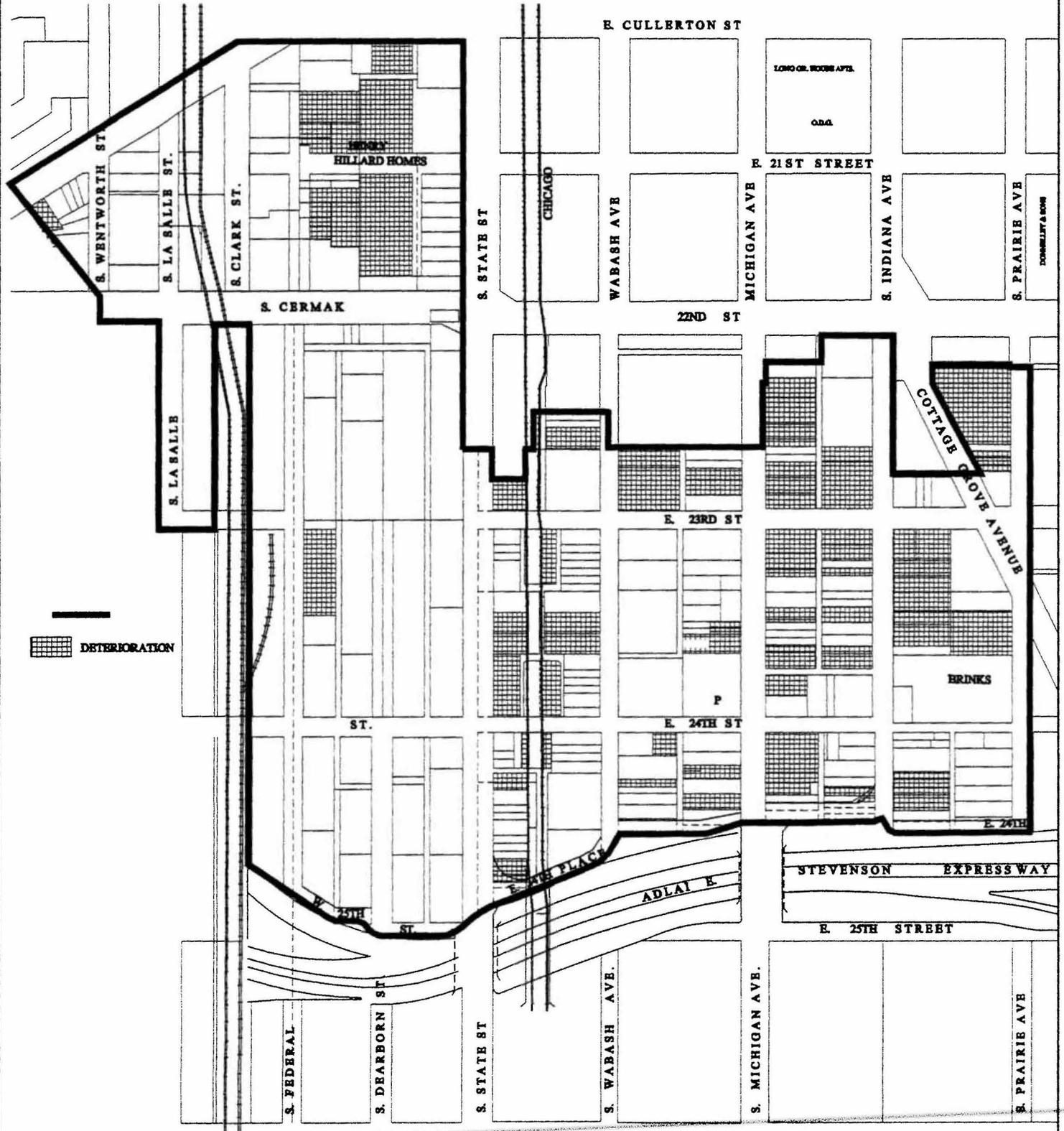
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 ELIGIBILITY STUDY : DETERIORATION

MAP 6



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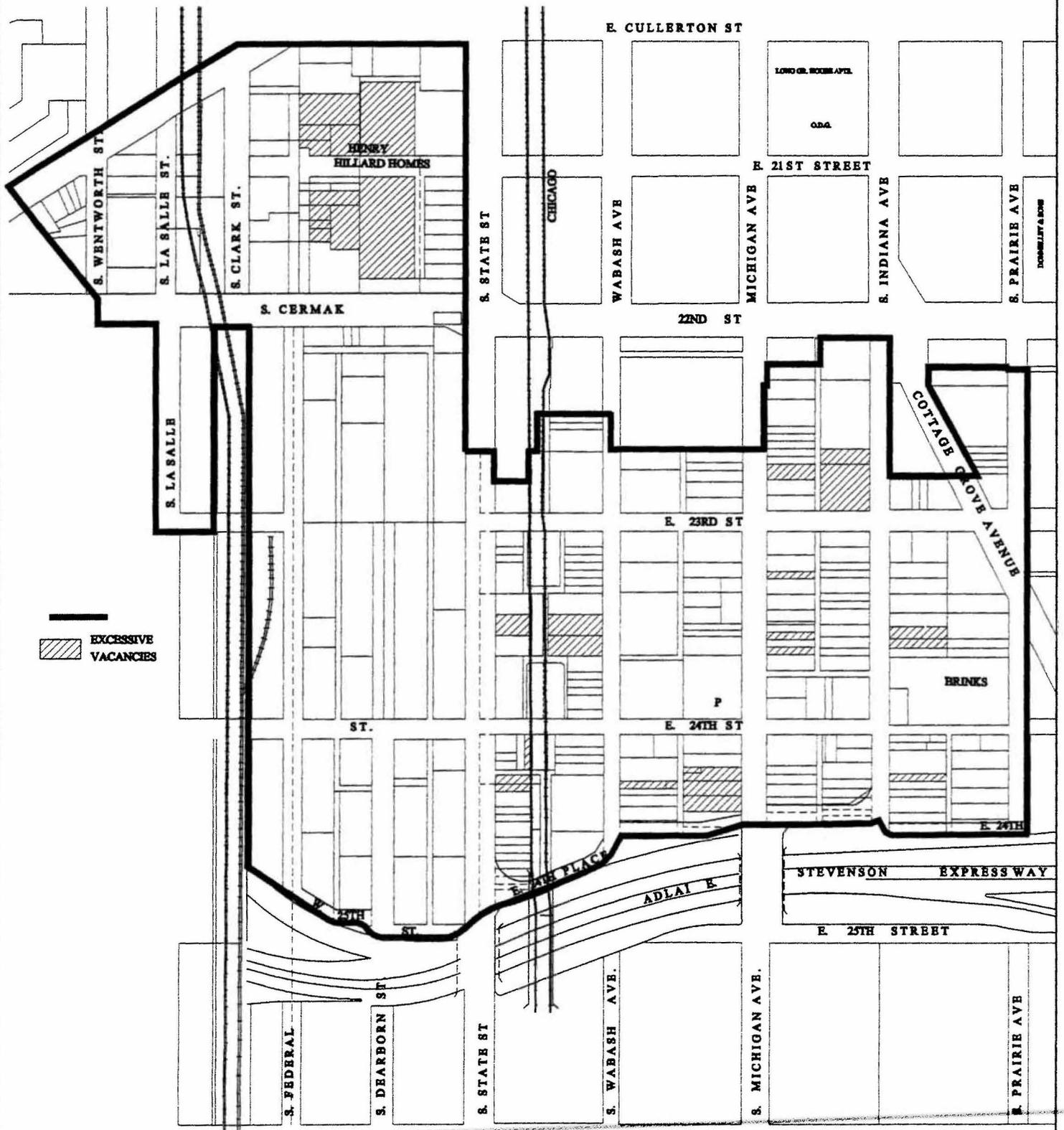
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 ELIGIBILITY STUDY : EXCESSIVE
 VACANCIES

MAP 7



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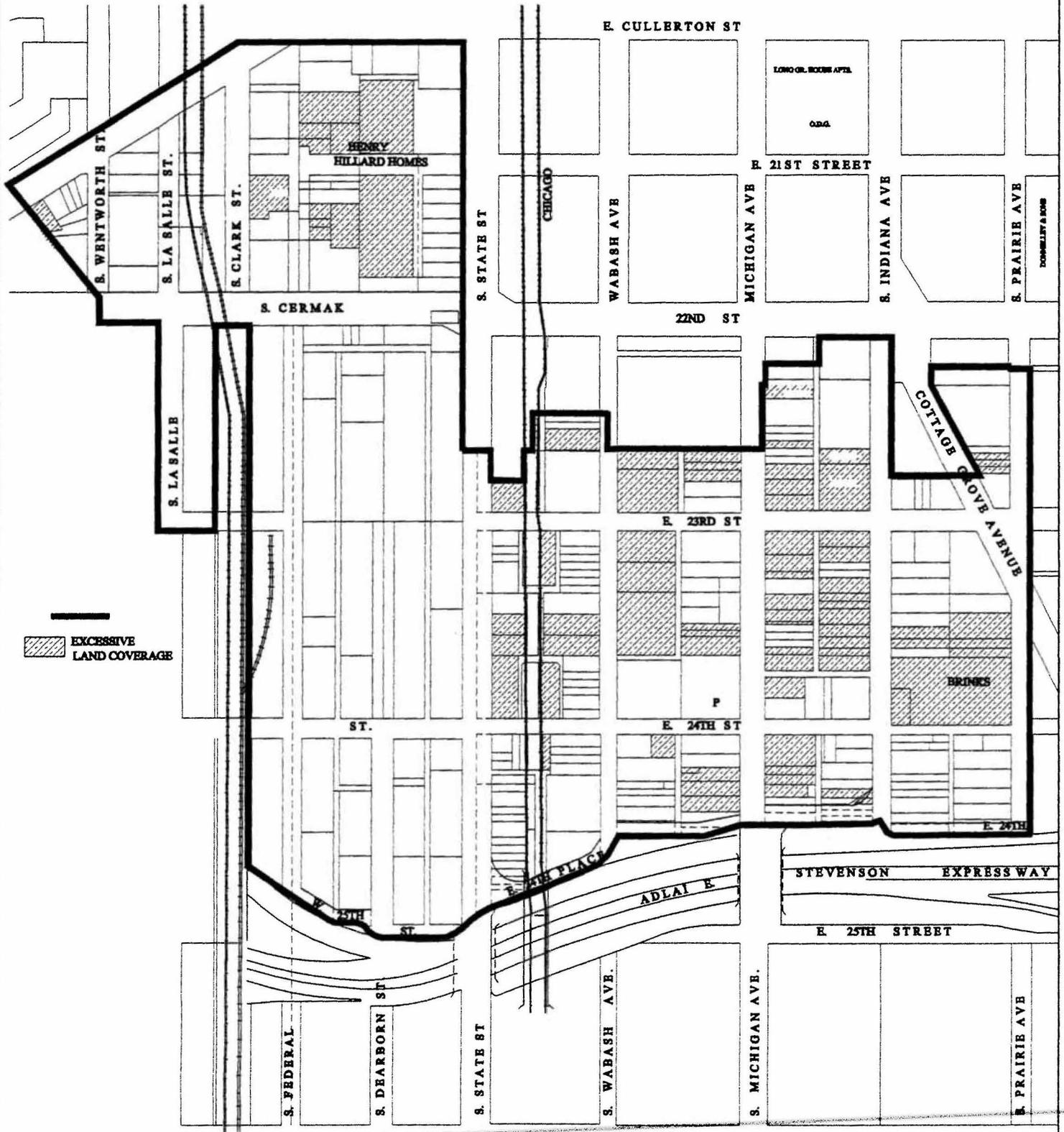


NORTH

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ELIGIBILITY STUDY : EXCESSIVE
LAND COVERAGE

MAP 8



 EXCESSIVE
LAND COVERAGE

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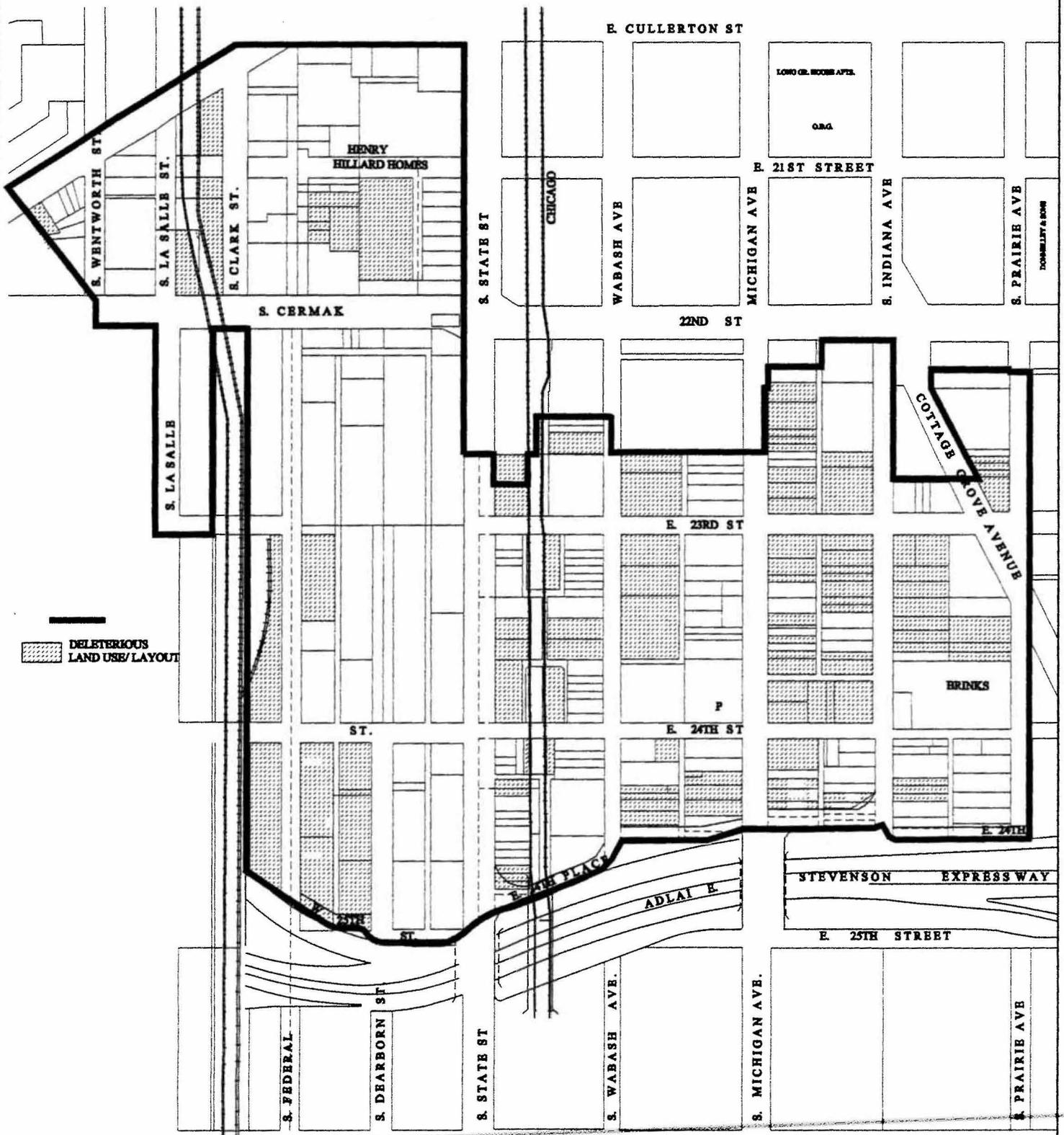
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ELIGIBILITY STUDY DELETERIOUS LAND USE/ LAYOUT

MAP 9



DELETERIOUS
LAND USE/LAYOUT

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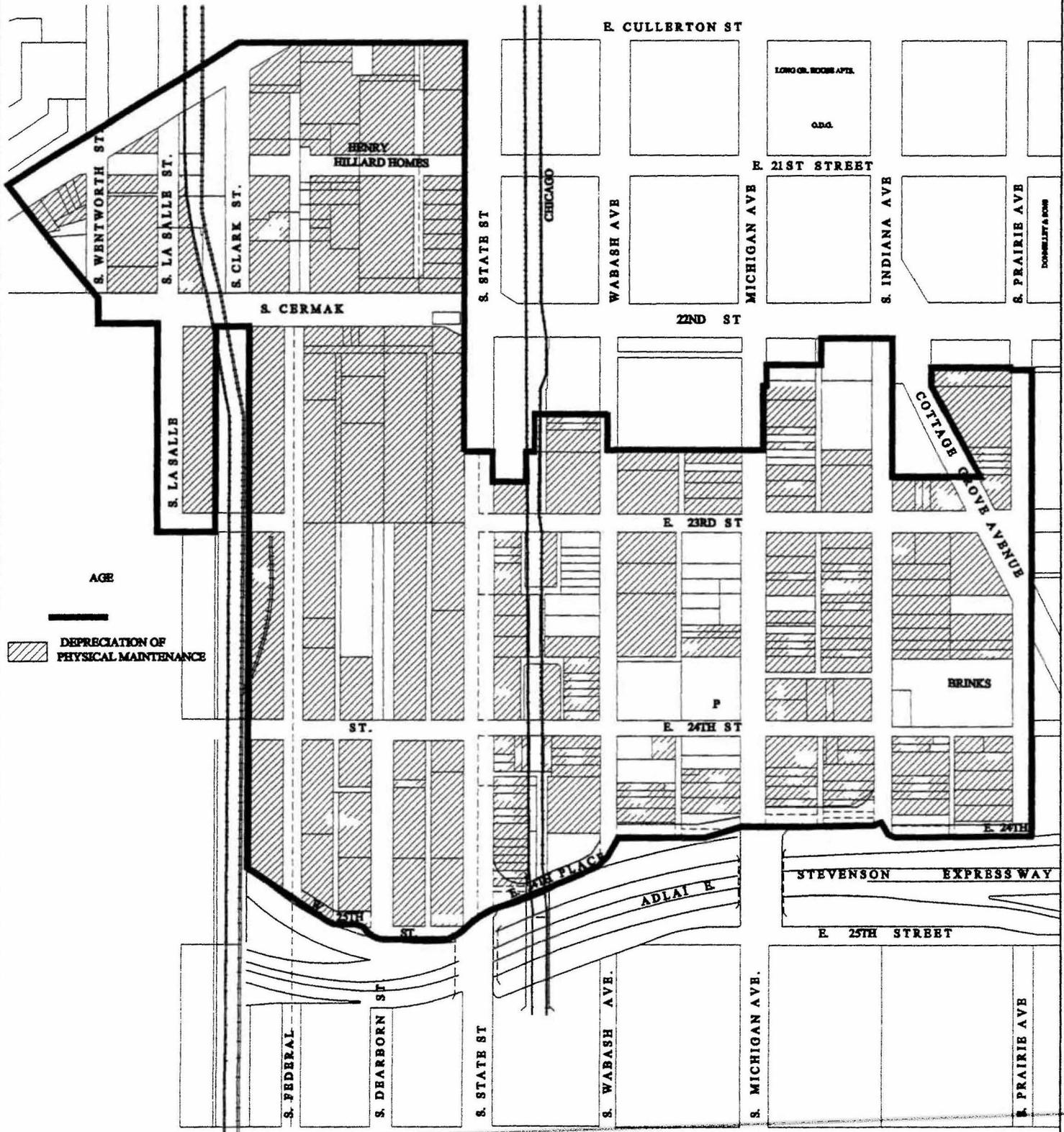
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NORTH

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ELIGIBILITY STUDY : DEPRECIATION OF PHYSICAL MAINTENANCE **MAP 10**



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